

To: Councillor Lovelock (Chair);
Councillors Gavin, Page, Skeats and Terry.

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2 December 2015

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NOTICE OF MEETING - PERSONNEL COMMITTEE - 10 DECEMBER 2015

A meeting of the Personnel Committee will be held on **Thursday 10 December 2015** at **6.30pm** in **Committee Room 1**, Civic Offices, Reading.

AGENDA

| | ACTION | WARDS AFFECTED | PAGE NO |
|--|-------------|----------------|-----------|
| 1. DECLARATIONS OF INTEREST | | | |
| 2. MINUTES OF MEETINGS HELD ON 1 OCTOBER AND 23 NOVEMBER 2015 | INFORMATION | BOROUGHWIDE | 1 |
| 3. PROCEEDINGS OF THE LOCAL JOINT FORUM HELD ON 15 SEPTEMBER 2015 | INFORMATION | BOROUGHWIDE | 7 |
| 4. CONTRACT FOR THE PROVISION OF EMPLOYEE ASSISTANCE PROGRAMME (EAP) | DECISION | BOROUGHWIDE | 11 |
| 5. LIVING WAGE - 2015 RATE | DECISION | BOROUGHWIDE | 14 |
| 6. CHILDREN'S SERVICES UPDATE | DECISION | BOROUGHWIDE | TO FOLLOW |

CIVIC OFFICES EMERGENCY EVACUATION: *If an alarm sounds, leave by the nearest fire exit quickly and calmly and assemble on the corner of Bridge Street and Fobney Street. You will be advised when it is safe to re-enter the building.*

At this point, the following motion will be moved by the Chair:

“That, pursuant to Section 100A of the Local Government Act 1972 (as amended) members of the press and public be excluded during consideration of the following items on the agenda, as it is likely that there would be disclosure of exempt information as defined in the relevant Paragraphs of Part 1 of Schedule 12A (as amended) of that Act”

| | | | | |
|----|---------------------------------------|----------|-------------|----|
| 7. | EARLY RETIREMENTS AND REDUNDANCIES | DECISION | BOROUGHWIDE | A1 |
|----|---------------------------------------|----------|-------------|----|

PERSONNEL COMMITTEE MINUTES - 1 OCTOBER 2015

Present: Councillor Lovelock (Chair);
Councillors Gavin, Khan (in place of Councillor Terry) and Page.

Also Present: J Boyd, R Hall and K Magee (for items 8 to 11); W King, I Wardle and R Woodford.

Apologies: Councillors Skeats and Terry.

RESOLVED ITEMS

8. MINUTES

The Minutes of the meeting held on 16 July 2015 were confirmed as a correct record and signed by the Chair.

9. PROCEEDINGS OF THE LOCAL JOINT FORUM

The Managing Director tabled the proceedings of the Local Joint Forum meeting held on 15 September 2015.

Resolved - That the proceedings of the Local Joint Forum meeting be received.

10. FAMILY FRIENDLY POLICIES

Warren King, Interim HR/Payroll Services Manager, submitted a report providing the Committee with an outline of the amendments that had been made to the Council's family friendly policies following changes to parental statutory legislation. A copy of the Paternity Leave Scheme was attached to the report at Appendix 1, a copy of the Adoption Leave Scheme was attached at Appendix 2 and a copy of the Parental Leave Scheme was attached to the report at Appendix 3.

The report outlined the as follows:

Paternity Leave Scheme

- Removal of Additional Paternity Leave and reference made to the Shared Parental Leave Policy;
- Included paternity leave now being available for parents using surrogacy arrangements;
- Included paid time off to attend two antenatal clinics or adoption appointments;
- Changes to when paternity leave could be taken - Council policy had previously allowed leave to be taken 'during the period commencing when the mother of the child first attended antenatal clinic, until the time she ceased attending postnatal clinic'. Due to amendments to legislation which allowed partners to attend two antenatal clinics, this had been amended to be in line with the statutory provisions of leave starting after the birth or placement of a child and finished within 56 days of the birth/placement;

PERSONNEL COMMITTEE MINUTES - 1 OCTOBER 2015

- Changes to how paternity leave could be taken - The Council were unable to claim back Statutory Paternity Pay (SPP) when paternity leave was taken in odd days rather than whole weeks because SPP was a weekly entitlement. This consequently had a financial implication for the Council. The policy had been amended to ensure that paternity leave was taken in blocks of at least one working week and up to a maximum of two working weeks taken consecutively (as per statutory provisions) rather than being staggered;
- Changes to notice period - Council policy previously did not specify a notice period. The policy had been updated to ask employees to give a 'reasonable' amount of notice to allow cover to be arranged, if required.

Adoption Leave Scheme

Adoption leave and pay would be available to surrogate parents who had obtained a parental order. Paid time off would be given to attend up to five adoption appointments and there would be reference to Shared Parental Leave and removal of Additional Paternity Leave.

Parental Leave Scheme

The Scheme had been updated to include the change of legislation in April 2013 which had increased entitlement from 13 to 18 weeks unpaid leave for parents and to include the change in legislation in April 2015 which allowed unpaid parental leave to be taken by parents of any child under the age of 18 (previously it had only been for children with a disability).

The report explained that some minor changes had been made to the Foster Carer Policy and the Maternity Scheme to reflect changed terminology and so these were also attached to the report at Appendices 4 and 5.

Resolved - That the adoption of the revised policies be approved.

11. REDUNDANCY OPTIONS

The Interim HR/Payroll Services Manager submitted a report that sought the Committee's approval to start formal consultation on a proposal to reduce the redundancy pay calculator because of the Council's financial position. A copy of the Equality Impact Assessment - Redundancy Compensation was attached to the report at Appendix A.

The report stated that redundancy compensation was made up of the following four elements:

- Mandatory payment of compensation equivalent to the statutory redundancy compensation scheme;
- Discretionary enhancement of number of weeks compensation paid up to 104 weeks;
- Discretionary enhancement of a week's pay from £464 in 2013/14 to £475 in 2015/16;

PERSONNEL COMMITTEE MINUTES - 1 OCTOBER 2015

- For staff who were 55 years of age or older and were members of a statutory pension scheme there might be mandatory release of unreduced pension and associated 'capital costs' (capital costs were paid by the Council).

The report stated that in 2011 the Council had agreed to set a framework where it paid a multiplier of two statutory weeks' pay (up to a maximum of 52 weeks) and actual weeks' pay (AWP).

The full costs associated with compensation payments were met by the Council and in addition, where a member of staff was over 55 years of age and a member of the local government pension scheme (LGPS), they were statutorily entitled to release their pension on an unreduced basis. There was an additional 'capitalised cost' of early release of pension which the Council had to pay; this payment was made to the Pension Fund. The LGPS had recently confirmed that although there had been a scheme to pay capitalised costs over three to five years, this had been removed and there was no longer a provision to offset these costs in an attempt to reduce them or defer over a longer period of time.

The report provided details from the most recent Local Government Association survey 2013 'Early Retirement and Compensation Survey' setting out what other Councils used and a comparison of what local Councils across Berkshire used. Details of redundancy and efficiency costs were also set out in tables in the report and it had been estimated that the proposed changes to the redundancy payments would help the Council avoid costs of approximately £5m.

It had been forecast that based on the current multiplier the Council would need to significantly increase the Organisational Change Reserve to meet the potential liabilities, this meant the Council would have to save a further £30-£40m over the next three years.

The report stated that what could not be measured accurately were the non-cost/indirect impacts of the reduction options, in particular the affect that such reductions might place on employees volunteering for redundancy or efficiency releases in the course of the change or other programmes. Issues of overlap between the start of one scheme and the ending of another might be created.

The report explained that there were contractual and legal issues that had to be taken into account when considering the reduction in redundancy compensation as follows:

- Terms and conditions of employment that were incorporated into employment contracts;
- Two 'levels' of national conditions of service;
- Local Council terms and conditions which had developed over time.

A proposal to reduce the redundancy compensation could therefore be considered and this would not impact on, or require a departure from the Council's decision to remain within the NJC national conditions. In terms of good practice there would need to be a period of staff consultation followed by a reasonable requirement of three months' notice for the new arrangements to come into force.

PERSONNEL COMMITTEE MINUTES - 1 OCTOBER 2015

K Magee, Unite, stated that the concerns of his members had been outlined and expressed concern over the possible knock-on effect on future employment and requested that should the financial climate change in the future then the arrangements could be reviewed.

Resolved - That the commencement of formal consultation to reduce the payment calculator to a multiplier of one of the statutory calculator be approved.

12. EXCLUSION OF THE PRESS AND PUBLIC

Resolved -

That pursuant to Section 100A of the Local Government Act 1972 (as amended) members of the press and public be excluded during consideration of the following items, as it was likely that there would be disclosure of exempt information as defined in paragraphs 1 and 2 of Part 1 of Schedule 12A (as amended) to that Act.

13. EARLY RETIREMENTS AND REDUNDANCIES (INCLUDING VOLUNTARY RELEASE SCHEME APPLICATIONS)

The Interim HR and Payroll Services Manager, the Monitoring Officer and the Head of Finance submitted a joint report, which set out a request for termination of employment on the grounds of redundancy.

The proposal, together with the financial implications, were set out in a schedule appended to the report on the following basis:

- The financial case was given which represented the highest cost to the Council. In most cases this included discretionary added years on pension (where payable), as this represented a direct and ongoing cost to the Council. This was in accordance with the Council's current practice of considering redundancy and retirement terms up to the maximum limit of discretion, where applicable. The Committee was asked to approve individual proposals subject to a maximum ceiling on the exercise of discretion;
- The financial implications were costed on the basis of the estimated figures, which were subject to final confirmation. The figures might be affected by changes to final salary, pensionable service, age or date of leaving. The Committee was asked to approve the proposals on the basis of the estimated figures, subject to any individual proposal being brought back to Committee if the confirmed costs were more than 10% in excess of those reported;
- The costs of early retirement on the grounds of ill health were met by the Local Government Pension Scheme or the Teachers' Pension Scheme.

The report sought approval for the payment of a compensation package in the case of proposed termination of employment or early retirement on grounds of redundancy, efficiency of the service or ill health subject to the conclusion of all outstanding

PERSONNEL COMMITTEE MINUTES - 1 OCTOBER 2015

matters in each case, including ongoing consultation with employees and their representatives, and efforts to secure alternative employment, where appropriate.

Resolved -

- (1) That the termination of employment on the grounds of redundancy of employee A be approved on the terms set out in the schedules appended to the report subject to the conclusion of all outstanding matters in each case, including ongoing consultation with the employees and their representatives and efforts to secure alternative employment, where appropriate;
- (2) That the proposal set out in (1) above be approved on the basis of the financial implications set out in the report, and that authority to conclude the proposal be delegated to the Head of Finance, Monitoring Officer and HR and Payroll Services Manager (acting jointly) within that framework, and subject to the maximum ceiling identified for the proposal;
- (3) That the current terms for agreeing compensation packages in specific cases of early retirement or termination of employment on the grounds of redundancy or efficiency be confirmed.

14. MANAGING DIRECTOR APPRAISAL

The Interim HR/Payroll Services Manager submitted a report asking the Committee to note the Managing Director's progress against objectives and to set new objectives for the forthcoming 12 months.

Resolved - That the objectives set out for the Managing Director for 2015/16 be approved.

(Exempt information as defined in Paragraphs 1 and 2).

(The meeting commenced at 6.30 pm and closed at 6.51 pm).

PERSONNEL COMMITTEE MINUTES - 23 NOVEMBER 2015

Present: Councillor Lovelock (Chair);
Councillors Debs Absolom (in place of Councillor Gavin),
Page, Terry and Vickers (in place of Councillor Skeats).

Also Present: C Brooks, W King, I Wardle and S Poole.

Apologies: Councillors Gavin and Skeats.

RESOLVED ITEMS

14. EXCLUSION OF THE PRESS AND PUBLIC

Resolved -

That pursuant to Section 100A of the Local Government Act 1972 (as amended) members of the press and public be excluded during consideration of the following items, as it was likely that there would be disclosure of exempt information as defined in paragraphs 1, 2 and 5 of Part 1 of Schedule 12A (as amended) to that Act.

15. STAFFING MATTER

The Managing Director submitted a report which sought formal confirmation of the termination of employment of the Director of Children's Services.

The report set out the background to the situation, the intermediate steps taken and the reasons for reaching the decision to terminate employment.

The report also sought approval for the payment in lieu of the three month notice period as a contractual obligation.

Resolved -

- (1) That the termination of employment on the grounds as set out in the report be confirmed;
- (2) That the payment in lieu of the three months notice period be approved.

(Exempt information as defined in Paragraphs 1, 2 and 5).

(The meeting commenced at 5.30 pm and closed at 5.50 pm).

PROCEEDINGS OF THE LOCAL JOINT FORUM - 19 NOVEMBER 2015

Present:

Councillors David Absolom (for Cllr Page), Debs Absolom (for Cllr Gavin), Lovelock and Steele

| | |
|--------------------|-------------------------------------|
| Ms J Boyd | National Union of Teachers (NUT) |
| Mr K Magee (Chair) | Unite |
| Mr W King | Interim HR/Payroll Services Manager |
| Mrs S Poole | Committee Services |

Apologies:

Councillors Gavin and Page

As the meeting was inquorate on the Union side, it was agreed that each item on the agenda would be discussed and noted by the Local Joint Forum.

1. PROCEEDINGS OF THE LOCAL JOINT FORUM MEETING HELD ON 15 SEPTEMBER 2015

The Proceedings of the Local Joint Forum meeting held on 15 September 2015 were confirmed as a correct record.

2. RELOCATION SCHEME, ACCOMMODATION ALLOWANCE AND RELOCATION SCHEME FOR OVERSEAS SOCIAL WORKERS

Warren King, Interim HR/Payroll Services Manager, submitted a report informing the Forum of updates to the Council's Relocation Scheme and the Relocation Scheme for Overseas Social Workers and of the introduction of an Accommodation Allowance. A copy of the Relocation Scheme was attached to the report at Appendix 1a, a copy of the Directorate Management Teams (DMT) Relocation Framework was attached to the report at Appendix 1b, a copy of the Accommodation Allowance was attached at Appendix 2 and a copy of the Relocation Scheme for Overseas Social Workers was attached to the report at Appendix 3.

The report stated that the Council faced recruitment difficulties in key service areas and other areas where it was nationally difficult to recruit and so had updated existing policies and introduced new incentives as part of the Reading Offer to ensure that there were sufficient suitably qualified staff and to reduce the number of interim and agency workers that covered essential and other services.

The report outlined the amendments to the Schemes as follows:

Relocation Scheme

- More clarity about which posts the scheme applied to. The Council's financial position meant that this benefit would only be attached to posts defined by Directorate Management Teams and Governing Bodies, with Headteachers, using a consistent framework, which was attached to the report at Appendix 1b;

- The introduction of a maximum cap of £8,000, being £5,000 for house purchase or rental fees and £3,000 for settling in expenses which was in line with many other local authorities;
- Changes to the eligibility so that the staff member had to be living more than 50 miles away from their designated work location and moved within 25 miles. This was a change from the current scheme whereby the staff member would have to live within the Borough to get 100% of the financial benefit, with 75% being paid if they lived within 15 miles. This change was to reflect the need to travel due to high property prices and rental costs in Reading.

Accommodation Allowance

The Accommodation Allowance was a new proposal to provide an allowance that could be used to assist with mortgage or rental costs for selected posts. As with the Relocation Scheme, Directorate Management Teams/Governing Bodies and Head Teachers would approve which posts would be eligible for the allowance, prior to a job advertisement. To claim, the new member of staff would need to be living more than 50 miles away and then move within 25 miles of Civic Offices/designated work location.

The allowance would be for a three year period on a sliding scale with £300 per month paid for the first year, £200 per month for the second year and £100 per month for the third year.

Relocation Scheme for Overseas Social Workers

The proposals for this scheme were a revision of an existing policy by updating terminology and cross-referencing to the Accommodation Allowance proposal. One of the benefits under this scheme was the allowance of an additional £1,000 to be claimed to assist overseas social workers with expenses such as flight costs, luggage or visa checks.

The report explained that members of staff would need to sign a legal agreement to repay a proportion of any financial assistance if they left the Council within three years. This would be reduced to one year for overseas Social workers, unless they also made a claim against the Accommodation Allowance.

AGREED: That the report be noted.

3. ANALYSIS OF TEACHERS' PAY PROGRESSION

Warren King, Interim HR/Payroll Services Manager, submitted a report that provided an analysis of Teachers' Pay Progression to establish whether part time, female and Black and Minority Ethnic (BME) staff were treated equitably in receiving incremental progression.

The report explained that at the meeting on 25 June 2015 (Minute 5 refers) Trade Union colleagues had asked Human Resources to undertake an analysis of

PROCEEDINGS OF THE LOCAL JOINT FORUM - 19 NOVEMBER 2015

incremental progression by Teachers in the Council as there had been some suggestion at a national level that part time teachers were less likely to receive an increment than full time teachers.

The report stated that data analysis had been based on 608 school teaching staff who had been employed in Community Schools in the Borough on 31 August 2015, with some adjustment for leavers, people who were already at the top of their scale, on the Upper Pay Spine or who had joined the School Direct Scheme and those that had moved from unqualified to qualified status.

The findings were as follows:

| Category | % received an increment |
|-----------------------------------|-------------------------|
| Female | 57.06 |
| Male | 52.17 |
| Full Time | 55.36 |
| Part Time | 63.33 |
| Asian/Asian British | 45.45 |
| Black/Black British | 16.66 |
| Mixed - White and Black Caribbean | 100 |
| White British | 55.64 |
| White English | 100 |
| White Irish | n/a |
| White - Other White | 69.23 |
| Mixed - Other Mixed | n/a |
| Other Ethnic Groups | n/a |
| Not Recorded | 65.95 |

The report explained that this data suggested that there was little variation in the likelihood of teachers receiving an increment whether they were male or female (females were slightly higher). Similarly, there was little difference between full time and part time teachers (part time teachers slightly higher).

Whilst the figure for Black/Black British suggested a relatively low percentage receiving an increment, this was based on a very small statistical sample (six teachers), but this would be monitored by Human Resources.

It was noted that these figures were based on a partial return as information had not been received from all schools and did not include academies. It was assumed that the percentages receiving an increment would increase across all categories once a complete data set had been received.

AGREED: That the report be noted.

4. EMPLOYEE ASSISTANCE PROGRAMME

Warren King, Interim HR/Payroll Services Manager, reported that they were currently commencing a re-tendering process for the Employee Assistance Programme as the current contract would end in 2016.

He explained that this programme offered a counselling and signposting service for staff, Councillors and their families but that the new contract might exclude Councillors and family members as the Council had received advice from HMRC that extending the service beyond staff members could be deemed to be a taxable benefit.

(The meeting opened at 5.00 pm and closed at 5.15 pm).

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF CORPORATE SUPPORT SERVICES

| | | | |
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| TO: | PERSONNEL COMMITTEE | | |
| DATE: | 10 DECEMBER 2015 | AGENDA ITEM: | 4 |
| TITLE: | CONTRACT FOR THE PROVISION OF EMPLOYEE ASSISTANCE PROGRAMME (EAP) | | |
| LEAD COUNCILLOR: | CLLR LOVELOCK | PORTFOLIO: | LEADERSHIP |
| SERVICE: | HUMAN RESOURCES | WARDS: | BOROUGHWIDE |
| LEAD OFFICER: | CHRIS BROOKS/WARREN KING | TEL: | 0118 937 2602 |
| JOB TITLE: | HEAD OF LEGAL AND DEMOCRATIC SERVICES/INTERIM HR AND PAYROLL SERVICES MANAGER | E-MAIL: | chris.brooks@reading.gov.uk |

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 The purpose of this report is to provide details of the procurement process to be undertaken in order to put in place a contract for an Employee Assistance Programme (EAP), and seek delegated authority to award a contract following a procurement exercise.
- 1.2 The current EAP contract expires on 31 March 2016 and needs to be re-let in accordance with the Council's Contracts Procedure Rules.

2. RECOMMENDED ACTION

- 2.1 That authority is delegated to the Head of Legal and Democratic Services, in consultation with the Leader of the Council, to enter into a contract for the provision of an EAP provider for a period of eighteen months.

3. POLICY CONTEXT

- 3.1 As part of its policy on the wellbeing of staff the Council needs to have an EAP service in place.
- 3.2 Reading Borough Council currently has a contract with Optum (formerly PPC) to provide an Employee Assistance Programme (EAP) to employees. Optum has provided the service since October 2003. The current contract expires on 31 March 2016.

- 3.3 The current service has been with the same provider for some time, and has never previously been the subject of a competitive tendering exercise.
- 3.4 The contract currently costs £30,000 per annum; the estimated lifetime value of the proposed contract is £50,000.
- 3.5 The services covered include counselling, online help and advice, debt counselling, legal and financial services; all are included in the cost of the programme. The current service is available to employees, their families and elected Members.

4 THE PROPOSAL

- 4.1 HR have consulted with HR colleagues from other local authorities to ascertain the possibility of a collaborative procurement process for the provision of an EAP service. Some other Berkshire authorities currently use in-house counselling services, whilst others use external providers. Of the authorities who have responded the majority are already part way through their contracts and therefore there is little possibility of a collaborative process.
- 4.2 HR have also investigated the possibility of using an available framework agreement for the required service provision.
- 4.3 Crown Commercial Service (CCS) currently has in place a framework agreement (FA) for an EAP service, and this was awarded in October 2012. There are 4 suppliers for Lot No. 2 (EAP service) on the framework and it is HR's intention to conduct a mini-competition in accordance with the terms and conditions of the CCS framework agreement, to procure an appropriate service.
- 4.4 The mini-competition will be conducted using CCS's e-sourcing portal and the award criteria will be based on the further competition procedure identified within the terms and conditions of the CCS framework agreement (RM932).
- 4.5 The timing of the mini-competition exercise may not be in line with the annual Committee cycle deadlines so delegated authority is being sought to allow for the award of the contract as necessary.

5. AWARD OF CONTRACT

- 5.1 Following successful conclusion of the mini-competition exercise, HR will notify the Leader of the Council and Head of Legal and Democratic Services of the outcome of the evaluation prior to notifying the successful supplier and issuing a contract award letter.

6. ASSET OF COMMUNITY VALUE

Not relevant to this report.

7. CONTRIBUTION TO STRATEGIC AIMS

- 7.1 Reading Borough Council can only effectively implement its strategic aims with a workforce that is valued and supported. This proposal will contribute to that.

8. COMMUNITY ENGAGEMENT AND INFORMATION

8.1 None relating to this report.

9. EQUALITY IMPACT ASSESSMENT

9.1 Not required. The EAP service is provided for all Reading Borough Council employees.

10 LEGAL IMPLICATIONS

10.1 The Council has a legal responsibility under the Health and Safety at Work Act (1974) of a duty to ensure, so far as is reasonably practicable, the health, safety and welfare at work of all its employees. This proposal will go a long way towards that aim.

10.2 The CCS framework agreement has been procured via an OJEU advertised tendering process in accordance with the Public Contracts Regulations 2006 (as amended). Lot No. 2 (EAP service) allows for a mini-competition in accordance with Reg 10 of the Public Contracts Regulations 2006 (as amended).

10.3 In accordance with Contracts Procedure Rule (9) (3) it will be necessary to conduct a mini-competition utilising CCS FA (RM932).

10.4 It will be necessary to enter into a contract with the successful supplier in the form of a call-off from the CCS FA.

10.5 The contract will be for a period of eighteen months commencing from 1 April 2016.

11 FINANCIAL IMPLICATIONS

11.1 Based on information provided by CCS it is expected that the cost of the Employee Assistance Programme (EAP) will not be substantially more than the current cost of £30,000 per annum which is within the existing budget.

12. BACKGROUND PAPERS

None.

READING BOROUGH COUNCIL

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|--------------|-------------------------------------|--------------|----------------------------|
| TO: | PERSONNEL COMMITTEE | | |
| DATE: | 10 DECEMBER 2015 | AGENDA ITEM: | 5 |
| TITLE: | LIVING WAGE - 2015 RATE | | |
| LEAD MEMBER: | CLLR LOVELOCK | | PERSONNEL COMMITTEE CHAIR |
| SERVICE: | CORPORATE RESOURCES | WARDS: | BOROUGHWIDE |
| AUTHOR: | WARREN KING | TEL: | 74500 |
| JOB TITLE: | INTERIM HR/PAYROLL SERVICES MANAGER | E-MAIL: | warren.king@reading.gov.uk |

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 To provide Personnel Committee with an update on the new Living Wage (LW) rate and to seek agreement to delegate the authority to implement the new rate of pay.

2. RECOMMENDATIONS

- 2.1 That Personnel Committee delegate authority to the Managing Director and HR/Payroll Services manager to implement the new Living Wage rate with effect from 1st April 2016.

3. BACKGROUND

(a) COUNCIL POLICY

- 3.1 The Council's Pay Policy states:

Section 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).'

- 3.2 Scp 11 (currently £7.88 ph / £15,207 pa) derives from the Councils long standing low pay policy which was launched in 1987.

(b) THE LIVING WAGE (LW)

- 3.3 The UK Living Wage rate is set annually by the Living Wage Foundation and calculated by the Centre for Research in Social Policy at Loughborough University.

- 3.4 The updating of the LW figure each year takes account of rises in living costs and any changes in what people define as a 'minimum'. It also

takes some account of what is happening to wages generally, to prevent a situation where LW employers are required to give pay rises that are too far out of line with general pay trends.

- 3.5 The LW is announced in November each year and there is a 6 month period allowed for implementation. The new value of the LW has been announced as £8.25 ph and will need to be implemented before 1st May 2016.

4. APPLICATION OF LW

- 4.1 Whilst the Joint Trade Union Side have submitted a pay claim for 2016/17, this has yet to have received a full response from national employers.

- 4.2 Staff currently employed on SCPs 11 (£7.88 ph) and 12 (£8.05 ph) currently fall below the new LW rate of £8.25 ph. However, depending on the outcome of the national pay negotiations, it is possible that this picture will change.

- 4.3 Initial scoping suggests that there are 950 posts that will benefit from the Living Wage rate, almost half of which are in schools.

- 4.4 It is possible that the outcome of the NJC pay award will not be known until after the required LW implementation date of 1st May 2016.

- 4.5 One option is to pay a 'Living Wage Supplement' to those staff on SCP 11 and SCP 12 of £0.37 and £0.20 respectively to uplift their hourly rate to £8.25 per hour with effect from 1st April 2016. This supplement can be reduced, or removed entirely, once the outcome of the NJC pay award is known.

- 4.6 The next Personnel Committee meeting is on 3 March 2016. However, steps will need to be taken to build budgets to reflect the higher rate of pay in advance of that date and so approval is sought to delegate the authority to implement the £8.25 rate, by a method to be determined by the Managing Director and HR/Payroll Services Manager, following consultation with the Trade Unions.

6. LEGAL IMPLICATIONS

- 6.1 Included in the report, where applicable.

7. FINANCIAL IMPLICATIONS

- 7.1 To be determined.

8. BACKGROUND PAPERS

- 8.1 None