

To: Councillor Lovelock (Chair);
Councillors Benson, Gavin, P Jones, Page,
Skeats and Vickers.

27 February 2013

Your contact is: **Richard Woodford - Committee Services**

NOTICE OF MEETING - PERSONNEL COMMITTEE - 7 MARCH 2013

A meeting of the Personnel Committee will be held on Thursday 7 March 2013 at 6.30pm in Committee Room 1, Civic Offices, Reading.

AGENDA

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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”

8.	EARLY RETIREMENTS AND REDUNDANCIES	DECISION	BOROUGHWIDE	-
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PERSONNEL COMMITTEE MINUTES - 13 DECEMBER 2012

Present: Councillor Lovelock (Chair);
Councillors P Jones, Gavin, Page, Skeats and Vickers.

Also Present: C Brooks, A Burton (for items 15-19(4)) and M Popham.

Apologies: Councillor Benson.

RESOLVED ITEMS

15. MINUTES

The Minutes of the meeting held on 4 October 2012 were confirmed as a correct record and signed by the Chair.

16. PROCEEDINGS OF THE LOCAL JOINT FORUM

The Director and Council Manager submitted the proceedings of the Local Joint Forum meeting held on 24 September 2012.

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

17. 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.

18. APPOINTMENT OF MANAGING DIRECTOR - EXERCISE OF DELEGATION

The Director and Council Manager submitted a report to advise the Committee of arrangements for the commencement in employment of the new Managing Director, including the exercise of delegation in relation to salary and terms and conditions of employment, and hand-over arrangement with the current Director and Council Manager. The report also described the process to be followed in relation to the retirement, on 31 March 2013, of the Director and Council Manager, in accordance with the Council's Flexible Retirement Scheme.

Resolved -

- (1) That the exercise of delegation in respect of the terms and conditions for the new Managing Director and the phased retirement arrangements for the current Director and Council Manager be noted;
- (2) That the terms of the Council's relocation package policy be reviewed at a future meeting of the Personnel Committee;

PERSONNEL COMMITTEE MINUTES - 13 DECEMBER 2012

- (3) That the Committee's appreciation of Dave Peasley's commitment to the Council over many years and for the way he had managed the Council in his two periods as Head of Paid Service and the Budget in his longstanding role as Director of Resources, be recorded.

19. EARLY RETIREMENTS AND REDUNDANCIES (INCLUDING VOLUNTARY RELEASE SCHEME)

The Head of Human Resources, the Monitoring Officer and the Director and Council Manager submitted a joint report, which set out two requests for early retirement on the grounds of redundancy, six requests for termination of employment on the grounds of redundancy and one request for flexible retirement.

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

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

A consolidated spreadsheet was attached to the report setting out proposals for voluntary termination or early retirement under the Voluntary Release Scheme. The spreadsheet set out the information relating to compensation or capital (early release of pension) costs and full year salary savings (including with on-costs). The payback period for each individual proposal was also shown in the spreadsheet.

Resolved -

PERSONNEL COMMITTEE MINUTES - 13 DECEMBER 2012

- (1) That the early retirement on grounds of redundancy of employees A and B, and the termination of employment on the grounds of redundancy of employees C, D, E, F and G 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 Director and Council Manager, Monitoring Officer and Head of Human Resources (acting jointly) within that framework, and subject to the maximum ceiling identified for the proposal;
- (3) That the proposal for the flexible retirement of employee H, as set out in the schedule attached to the report, be approved;
- (4) That the proposals for voluntary termination of employment or early retirement under the Voluntary Release Scheme as detailed in the consolidated spreadsheet attached to the report, with the exception of the Head of Service (Reference 69), be approved, subject to the conclusion of all outstanding matters in each case;
- (5) That the proposal for voluntary termination of employment under the Voluntary Release Scheme of the Head of Service (Reference 69), specified in the consolidated spreadsheet attached to the report (referred to in (4) above) be approved, subject to the conclusion of all outstanding matters in the case.

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

(The meeting commenced at 6.30 pm and closed at 7.15 pm).

pers cttee/minutes/121213

Present:

Councillors Lovelock (Chair), Gavin and Page.	
Mr P Kenny	Unison Staffside
Mr R Kiff	Unison Staffside
Mr K Magee	Unite
Mr R Ketley	Education & Community Services Unions
Ms D Sander	Association of Educational Psychologists
Ms A Burton	Head of Human Resources
Mr J Hoggart	Human Resources Manager
Ms A Paterson	Human Resources Partner
Mr R Woodford	Committee Services

Apologies:

Councillor Rynn	Reading Borough Council
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1. PROCEEDINGS OF THE LOCAL JOINT FORUM MEETING HELD ON 24 SEPTEMBER 2012

The Proceedings of the Local Joint Forum meeting held on 24 September 2012 were confirmed as a correct record and signed by the Chair.

2. MATTERS ARISING

(a) Minute 3 - Matters Arising (Negotiation and Consultation Structures within Academies)

Rob Ketley, Joint Trade Union Chair, told the Forum that since the last meeting the Government now wanted feedback on de-delegation in January 2013 and that the Schools Forum would be meeting on 10 January 2013 when a decision would be made about the issue. Rob told the Forum that there were still issues in respect of academies and a decision would need to be made about schools that did not take up the buy-back option. Jim Hoggart, Human Resources (HR) Manager, told the Forum that a meeting with officers from the Directorate of Education, Social Services and Housing would take place after the Schools Forum had met to discuss any outstanding issues.

AGREED: That the position be noted.

3. MINUTES OF THE CENTRAL HEALTH AND SAFETY COMMITTEE MEETING HELD ON 17 OCTOBER 2012

The Forum received the Minutes of the Central Health and Safety Committee held on 17 October 2012.

Attendance

The trade unions expressed their concern about attendance at the Central Health and Safety Committee meetings and the lack of representation on the Committee of some areas of the Council. Anne Burton, Head of HR, told the Forum that she had met with Ian Wardle, Managing Director designate, who had said that he would Chair meetings of the Committee when he took up his position on 4 February 2013. He had been made aware of the issues the Committee was facing and was keen to re-energise managers in respect of health and safety and to re-direct their focus to health and safety in their service areas.

Incheck Database

Rob Ketley, Joint Trade Union Chair, told the Forum that there was still some confusion about the use of Incheck and that a strategic decision needed to be taken with regard to its use. Anne Burton confirmed that there was no question that the database was not being used but, that other databases were being used as well.

4. BUDGET/LOCAL GOVERNMENT FINANCE SETTLEMENT AND STAFFING IMPLICATIONS

Councillor Lovelock told the Forum that the Local Government Finance Settlement had been received very late in 2012 and represented a 10% reduction in the Government Grant to the Borough. In financial terms this equated to a £7m reduction compared to 2012/2013 and if the impact of inflation and growth elements was taken into account the reduction would mean that approximately £15m of savings would have to be found. Councillor Lovelock confirmed that every effort was being made to avoid compulsory redundancies although it had been acknowledged that there would be implications for staffing levels and that the trade unions would be updated as soon as possible when decisions were made.

Anne Burton, Head of HR, confirmed that although the closing date for applications under the Voluntary Release Scheme (VRS) had been the end of October 2012 some applications had been agreed after this date and had been approved by Personnel Committee on 13 December 2012. She also confirmed that it was imperative that savings were achieved through voluntary means wherever possible.

The trade unions expressed their appreciation for their involvement in the meetings and work on the VRS and in achieving redundancies on a voluntary basis but stated that focus also had to be on the staff remaining in the organisation and the workloads allocated to them.

AGREED: That the position be noted.

5. REVIEW OF CHANGE PROGRAMMES

Annette Paterson, HR Partner, submitted a report providing the Forum with an update of the 'headline' outcomes from a recent review of change programmes and asking the Forum to endorse an outline work programme to put recommendations arising from the review into effect. A copy of the executive summary of the review was attached to the report at Appendix A.

The report stated that although it was generally believed that the Council delivered change well in 2012 the Forum had requested that a deeper review involving managers, staff and unions should be carried out to obtain a richer understanding of how they had experienced change in practice and to identify where the Council's policies, systems and processes could be improved.

The headline recommendations from the review, which had been verbally reported to the JTUC, provided an outline work programme for 2013 for unions, management and HR to improve further the policies, systems and processes used by the Council to deliver change.

The report stated that it had been recommended that the work programme should be co-ordinated by HR through a joint working group (called provisionally 'The Change Management Working Group') which would oversee the output from the work programme and provide updates, reports and policy/process documents as necessary to JTUC, CMT, the Forum and Personnel Committee for approval as its work progressed.

The headline recommendations from the review were as follows:

- Review and improve current guidance pack for staff so that it provided a clearer understanding of the change process and their 'role' within it;
- Simplify the language used in the change programmes;
- Review the use of 'Lifetrack' to check access and efficacy;
- Develop a 'template' for change planning with recommended lead times and milestones;
- Develop 'template' documents for use in change programmes to ensure greater consistency of approach and language;
- Ensure that staff affected by change were given access to practical support to enable them to take part in the process;
- Review the Employment Stability Agreement and revise where necessary;
- Bring together all the current change guidance in use into one core guide for managers, standardising and simplifying wherever possible;
- Encourage greater 'post change' reflection in practice so that managers, staff and unions could feedback their experiences to improve practice going forward.

The trade unions welcomed the work that had been carried out and confirmed that they were happy to take part in the joint working group.

AGREED:

- (1) That the report be noted;
- (2) That the recommended actions from the review, set out in paragraph 4.3 of the report, be noted;
- (3) That the taking forward of the recommendations in partnership with managers and trades unions in a joint working group, called provisionally 'The Change Management Working Group', be endorsed.

6. HR UPDATE REPORT

The Head of Human Resources submitted a report updating the Forum on a number of ongoing Human Resource (HR) and development issues:

Senior Management Restructure - Phase 2

The report stated that the recruitment process had been concluded and Council had formally approved the appointment of Ian Wardle to the position of Managing Director. Ian was currently Director of Regeneration Services at Redcar and Cleveland Council and would take up his post with the Council on 4 February 2013. Ian had confirmed that he was happy to continue the practice of meeting with the joint trade unions, for example around the budget, and an initial meeting would be set up soon after he took up his post.

With the appointment of Ian Wardle in February 2013, Dave Peasley, Director and Council Manager, had given formal notice of his intention to retire on 31 March 2013.

Voluntary Release Scheme

The report stated that all applications had gone through the management assessment process and had been approved or rejected in accordance with the following categories:

- A - Firm yes and no further work needed in order to make it happen on the agreed leaving date;
- B - Yes in principle, subject to some further work being carried out before a final leaving date could be agreed;
- C - No, unless something else could happen to make it feasible;
- D - Firm No for service reasons;
- E - Firm No as a result of other reasons, for example, the member of staff was

properly classed as redundant as a result of a change programme already underway, they were casual or fixed term.

The report included a table showing the final outcome by Directorate and explained that category A, B and C applications had been submitted to Personnel Committee on 13 December 2012 for the proposed compensation packages to be approved. Departures were taking place with effect from the end of December 2012.

It was suggested that it would be helpful if updates were produced as staff left the organisation, detailing who would be taking over their work and that auto replies should be set up on their email accounts that stated who should be contacted in their place.

Pension Changes

The report explained that formal consultations on the first set of draft regulations for the 2014 Local Government Pension Scheme (LGPS) (membership, contributions, and benefits) had begun on 21 December 2012 and would last until 8 February 2013. This was a tight timescale and some elements of the draft regulations were missing from the consultation document, this was because there was a deadline to concluding the consultation and getting the core elements of the new scheme on the statute book in time for the 2013 scheme valuation.

In accordance with the scheme design principles agreed between the Local Government Association (LGA) and Local Government Trades Unions, the main parameters forming the basis of the statutory consultation included the following:

- A start date of April 2014 with core elements of the new scheme regulations in place by Spring 2013;
- A pension scheme design based on career average and actual pay;
- An accrual rate of 1/49th of pensionable earnings each year;
- Revaluation of active members' benefits in line with a price index (currently Consumer Prices Index);
- A Normal Pension Age equal to the State Pension Age;
- A low cost optional arrangement allowing 50% of main benefits to be accrued on a 50% contribution rate;
- Early/late retirement factors from age 55 on an actuarially neutral basis.

The report included a contribution table which set out the scale whereby it was ensured that higher-earning members paid a higher proportion of their earnings to the Pension fund than lower-earning colleagues.

The report stated that there would be transitional protection in respect of:

- All accrued rights were protected and those past benefits would be linked to final salary when members left the scheme;
- Protection underpin for members aged 57 to 59;
- Rule 85 protection, as in the current scheme.

The detail of the draft regulations would be assessed before the Council made a response to the consultation; trades unions would make their own responses.

Finally, the report stated that an announcement had been made on 19 December 2012 that had set out the Department of Communities and Local Government's intention to remove access for councillors to the LGPS in England from April 2014 and a separate consultation paper would be issued as part of the planned consultation on the wider reform of the LGPS.

Civic Offices Relocation

The Joint Trades Unions had been updated on the programme for relocating the main Civic Offices, and agreement had been reached on trade unions participation on relevant project board(s).

The 'high level' timetable for the programme had been shared, showing the planned key stages up to and including 'decanting' to the new building in the fourth Quarter 2014.

Outstanding Items

The report explained that a number of matters that had been brought to the Forum by the Trades Unions remained to be progressed to a conclusion. They were as follows and would be kept under review by the Forum:

- Proposals for Disability Leave - a working group had been proposed to take this work forward in the context of the Council's Equality Monitoring;
- Directorate Joint Forum terms of reference - to be approved by CMT;
- Workloads - Trade unions proposals to be considered in the context of, for example, budget reductions and staff survey outcomes;
- Fixed Term Contracts in Schools - Extension of the work already undertaken in the Council to school settings.

AGREED:

- (1) That the report be noted;
- (2) That the possibility of producing updates as staff left the organisation, detailing who would be taking over their work, and the setting up of auto replies on their email accounts that stated who should be contacted in their place be investigated.

(The meeting opened at 5.00 pm and closed at 5.50 pm).

Present:

Councillors Lovelock (Chair), Gavin and Rynn.	
Mr P Kenny	Unison Staffside
Mr R Kiff	Unison Staffside
Mr K Magee	Unite
Ms V Briggs	ICA
Mr R Ketley	Education & Community Services Unions
Ms D Sander	Association of Educational Psychologists
Ms A Burton	Head of Human Resources
Mr J Hoggart	Human Resources Manager
Mr R Woodford	Committee Services

Apologies:

Councillor Page	Reading Borough Council
Councillor Stevens	Reading Borough Council
Mr M Hancock	Unison Staffside
Mr P Narancic	Unison Staffside

1. PROCEEDINGS OF THE LOCAL JOINT FORUM MEETING HELD ON 9 JANUARY 2013

The Proceedings of the Local Joint Forum meeting held on 9 January 2013 were confirmed as a correct record and signed by the Chair.

2. MINUTES OF THE CENTRAL HEALTH AND SAFETY COMMITTEE MEETING HELD ON 15 JANUARY 2013

The Forum received the Minutes of the Central Health and Safety Committee held on 15 January 2013.

3. HR ISSUES - GENERAL UPDATE

The Head of Human Resources submitted a report updating the Forum on a number of ongoing Human Resource (HR) and development issues:

Voluntary Release Scheme - The report stated that an Equality Impact Assessment of the Voluntary Release Scheme (VRS) had been carried out, with regard to access, application and acceptance, see Minute 5 below.

Workload Management - Further to Minute 7 of the meeting held on 24 September 2012 it had been identified that the Council's existing guidance on the format and content of one-to-one supervision did in fact address a number of the areas that had been raised by the trade unions with regard to dealing with workloads allocated to staff. A copy of the Guide to one-to-one/Supervision Meetings was attached to the report.

The report stated that it would be helpful to review the guidance and, after discussion, take the opportunity to refresh and reissue the guidance to ensure managers were aware of the expectations and good practice advice.

The trade unions had recently met with Ian Wardle, Managing Director, and were reassured that he had recognised that managers had an active role to play in ensuring that staff were not over-burdened.

AGREED: That the position be noted.

4. MATERNITY AND MATERNITY RELATED PROVISIONS

The Head of Human Resources submitted a report asking the Forum to note the draft revised policies/guides on maternity and related provisions for Council staff. A copy of the Maternity Scheme was attached to the report at Appendix I, a copy of the Paternity Leave Scheme was attached to the report at Appendix II, a copy of the Maternity Support Leave Scheme was attached to the report at Appendix III and a copy of the Adoption Leave Scheme was attached to the report at Appendix IV.

The report stated that further work on the structure and presentation of the policies/guides was being carried out in order to ensure that they were as clear and concise as possible for staff and managers, as this area of benefit/provision was complex and could be confusing. Work was also being carried out on drawing together a policy statement for staff who were to become Foster Carers. The main changes/sources to the documents were as follows:

Maternity Leave - All documents relating to maternity leave had been amalgamated into one document to remove duplication and details of the points which had been amended in the proposed maternity scheme document were included in the report.

Paternity Leave - Inclusions of information about additional paternity leave included that it could be taken from 20 weeks after birth and had to have ended by 12 months after the child was born, that up to 26 weeks could be transferred from the mother's maternity leave to the father's/partner's paternity leave and that it could only be taken when the mother went back to work.

Adoption Leave mirrored maternity leave rights, for example returning to work, keeping in touch days and accrual of leave, and included information such as parental leave and paternity leave for partners.

Parental Leave would increase to 18 weeks (in total) from 8 March 2013.

AGREED: That the initial draft revised policies/guides, which were subject to ongoing consultation with managers and trades unions, be noted.

5. EQUALITY IMPACT ASSESSMENT - VOLUNTARY RELEASE SCHEME 2012

The Directorate HR Services Manager submitted a report providing the Forum with an initial analysis of the profile of estimates and formal applications in connection with the 2012 Voluntary Release Scheme programme

The report stated that 330 requests for VRS benefit estimates had been received over the two month period of the programme, 1 September to 31 October 2012, this equated to 12.9% of Council staff (excluding staff in schools). The split by Directorate had been as follows:

- Corporate Resources - 45 (10.7% of the Directorate)
- Directorate of Education, Social Services and Housing - 187 (13.9% of the Directorate)
- Environment Culture and Sport - 98 (12.4% of the Directorate)

There had been a relatively even distribution of requests for estimates from across the Council, although within the general numbers there were sections of staff who had adopted a 'group response' to the programme, that is to say they had decided collectively to obtain individual estimates. Alternatively, these might have been groups of staff who were aware that organisational changes were pending and decided to explore the VRS 'route' in anticipation of later changes.

Of the requests for estimates 215 (65.2%) were from women, the proportion of women in the Council (excluding schools) was 66.6%, and 36 requests for estimates had been from BME staff, representing 10.9% of all requests which was a slightly lower proportion than for the Council as a whole (13.4%). Ten enquiries had come from staff who had declared a disability (3%) which was close to the proportion of staff with a disability in the Council as a whole (2.6%).

Subsequently there had been 140 applications made by staff, which amounted to 42.4% of staff, for a formal estimate, and these were relatively evenly spread across the Directorates (40% of staff with an estimate making an application from Corporate Resources, 43.9% from the Directorate of Education, Social Services and Housing and 40.9% from the Directorate of Environment Culture and Sport).

The split by Directorate in respect of applications was as follows:

- Corporate Resources - 18 (4.3% of the Directorate)
- Directorate of Education, Social Services and Housing - 82 (6.1% of the Directorate)
- Environment Culture and Sport - 40 (5.1% of the Directorate)

Of the 140 formal applications, 89 (63%) were from women, 12 (8.6%) were from BME groups and seven (5%) were from staff with a disability.

The report stated that there had been 82 successful applications for release under the 2012 VRS programme (58.6% of applications) and of these 54 were women (65.9% of applicants), five were from BME groups (6.1% of applicants) and four were staff who had declared a disability (4.9% of applicants). The level of successful applications for BME staff was proportionately lower than the proportion applying (8.6%) and therefore further analysis was needed.

The report included a table showing the distribution of estimate requests, applications and approvals by age.

The report explained that at the estimate and application stages it could be argued that the estimate request stage was key to assessing whether there were barriers to any groups of staff in accessing the scheme; this was the stage where staff would explore a potential interest through seeking financial advice about benefits. The proportion of staff from directorates and groups with protected characteristics conformed largely to the proportions in the Council as a whole. This gave a relatively high confidence that staff were aware of the scheme and were able to access details to enable them to come to a decision whether to apply. The profile for staff who had made an application was seen as being less significant inasmuch as these decisions were formed through a number of personal and situational variables which were specific to the individual. A close match between applicants and profiles of staff in the Council was not likely to be strong and there was no evidence that the variances that had been identified were significant or otherwise pointed to barriers to accessing the scheme. At the approval stage variances in proportion between the profiles of applicants and that of approved releases had been examined more closely and did not indicate that any group had been excluded or appeared to have faced a disadvantage. In respect of age profile, it appeared that no age ranges had been excluded from the programme and that there was a broad correlation between the various stages of the programme.

In conclusion the report stated that there was no evidence that staff had been prevented from accessing information relating to the VRS programme at the estimate or application stages. At the approval stage variances in the proportion between the profiles of applicants and that of approved releases had been examined more closely and did not indicate that any group had been excluded or appeared to have faced a disadvantage.

The Forum discussed the report and it was suggested that it would be useful to gather information on where people who had left the organisation under the VRS programme had got new jobs and whether or not these jobs were in the local area.

AGREED: That the report be noted;

6. DRAFT PAY POLICY STATEMENT REVISION 2013/14

The Head of Human Resources submitted a report with attached a copy of the draft revised (2013/14) Pay Policy Statement for onward submission to Personnel Committee on 7 March 2013 and Council on 26 March 2013, in accordance with section 38 of the Localism Act 2011. A copy of the text of the relevant sections of the Localism Act 2011 was attached to the report at Appendix I and a copy of the proposed 2013/14 Pay Policy Statement was attached to the report at Appendix II.

The report stated that the Council had published its first Pay Policy Statement in April 2012 and that the proposed revised draft for 2013/14 updated that statement. There were no substantive changes to record and the amendments related to dates and terminology.

The report explained that The Hutton Report had highlighted that there was value in ensuring decisions about senior pay were taken in the context of similar decisions on lower paid staff and the Act required authorities to set their policy on remuneration for the highest paid employees alongside policies on the lowest paid which had been reflected in the 2013/14 Pay Policy Statement. The Hutton Report and The Code of Recommended Practice for Local Authorities on Date Transparency also suggested that the organisation's pay multiple was published. The 'pay multiple', in this context, was described as the ratio between the highest paid employee and the 'median average' earnings across the organisation which acted as a means of illustrating the relationship between the highest and lowest paid. The current ratio between the highest and the lowest salary had been included in the Council's draft 2013/14 Pay Policy Statement and would be reviewed as part of future pay policies.

AGREED: That the draft revised Pay Policy Statement 2013/14 which would take effect from 1 April 2013 be noted.

7. OTHER BUSINESS

Councillor Lovelock told the members of the Forum that it had been proposed to change the governance arrangements of the Council and that a paving motion would be submitted to Council on 26 February 2013 on Future Governance and Electoral Arrangements. The paving motion would resolve to cease the existing form of governance (Leader and Cabinet Executive form of executive arrangements) and start to operate a committee system, with effect from the Annual Council Meeting in May 2013. Councillor Lovelock suggested that the period between the paving motion and the introduction of the Committee System in May 2013 would provide the Forum with the opportunity to consider how it fitted into the new structure and to review its terms of reference.

AGREED: That the position be noted.

(The meeting opened at 5.00 pm and closed at 5.25 pm).

READING BOROUGH COUNCIL

TO:	PERSONNEL COMMITTEE		
DATE:	7 MARCH 2013	AGENDA ITEM:	4
TITLE:	EQUALITY IMPACT ASSESSMENT - VRS 2012		
LEAD MEMBER	CLLR JO LOVELOCK	PERSONNEL COMMITTEE CHAIR	
SERVICE:	CORPORATE RESOURCES	WARDS:	BOROUGHWIDE
AUTHOR:	JIM HOGGART	TEL:	72492/939 0492
JOB TITLE:	DIRECTORATE HR SERVICES MANAGER	E-MAIL:	james.hoggart@reading.gov.uk

1. PURPOSE AND SUMMARY OF REPORT

- 1.1. This report provides an initial analysis of the profile of estimates and formal applications in connection with the 2012 Voluntary Release Scheme programme.

2. RECOMMENDED ACTION

- 2.1. That you note the report.

3. POLICY CONTEXT

- 3.1. Applications for VRS estimates, applications and release approvals are profiled by directorate, gender, ethnicity, disability and age.
- 3.2. The key concern is to both understand the profile of applicants for estimate, release and approvals and to assess and assure, as far as reasonably practicable, that one or more of the above groups have not been deterred from enquiring or applying and that approvals do not directly or indirectly discriminate against staff with protected characteristics.

4. PROFILE AND ANALYSIS

A. REQUESTS FOR ESTIMATES

330 requests for VRS benefit estimates were received over the 2 month period of the programme (1/9/12 to 31/10/12). This equates to 12.9% of Council staff (excluding staff in schools).

Directorate

CRES	45	10.7% of directorate
DESSH	187	13.9% of directorate
ENCAS	98	12.4% of directorate

There is a relatively even distribution of requests for estimates from across the Council. Within these general numbers will be sections of staff who adopted a 'group response' to the programme - that is to say decided collectively to obtain individual estimates. Alternatively, these might be groups of staff who were aware that organisational changes are pending and decided to explore the VRS 'route' in anticipation of later changes. These groups were apparent in some areas of DESSH and to a lesser extent in ENCAS and CRES - (eg 17 enquiries from CAT teams; 29 from intermediate care; 12 from Learning Disability Services; 11 from Libraries; 17 from RSL etc). These concentrations therefore may have the effect of distorting the general effect of the programme as it rolled out across the Council.

Gender

Of the requests for estimates, 215 (65.2%) were from women. The proportion of women in the Council (excluding schools) is 66.6%, so the number of women enquiring is slightly (but not significantly) lower than for the proportion in the Council as a whole.

Ethnicity

36 requests for estimates were from BME staff. This represents 10.9% of all requests. This is a slightly lower proportion than for the Council as a whole (13.4%). This slight disparity may have been affected by the concentration of enquiries from some services referred to above.

Disability

10 enquires came from staff who have declared a disability (3%) which is close to the proportion of staff with a disability in the Council as a whole (2.6%).

B. APPLICATIONS

The profile for applications is -

CRES	18	4.3% of directorate
DESSH	82	6.1% of directorate
ENCAS	40	5.1% of directorate

There were 140 applications made by staff. This amounts to 42.4% of staff who requested a formal estimate and these were relatively evenly spread across the directorates (40% of staff with an estimate making an application from CRES, 43.9% from DESSH and 40.9% from ENCAS).

Gender

Of the 140 formal applications, 89 (63%) were from women. These figures are broadly comparable with the profile for requests for estimates above (65%).

Ethnicity

12 applicants (8.6%) were from BME groups which is a slight reduction from the 10.9% who requested an estimate.

Disability

7 applicants (5% had a disability).

C. SUCCESSFUL APPLICATIONS

There were 82 successful applications for release under the 2012 VRS programme (58.6% of applicants). Of these -

54 were women (65.9% of applicants)

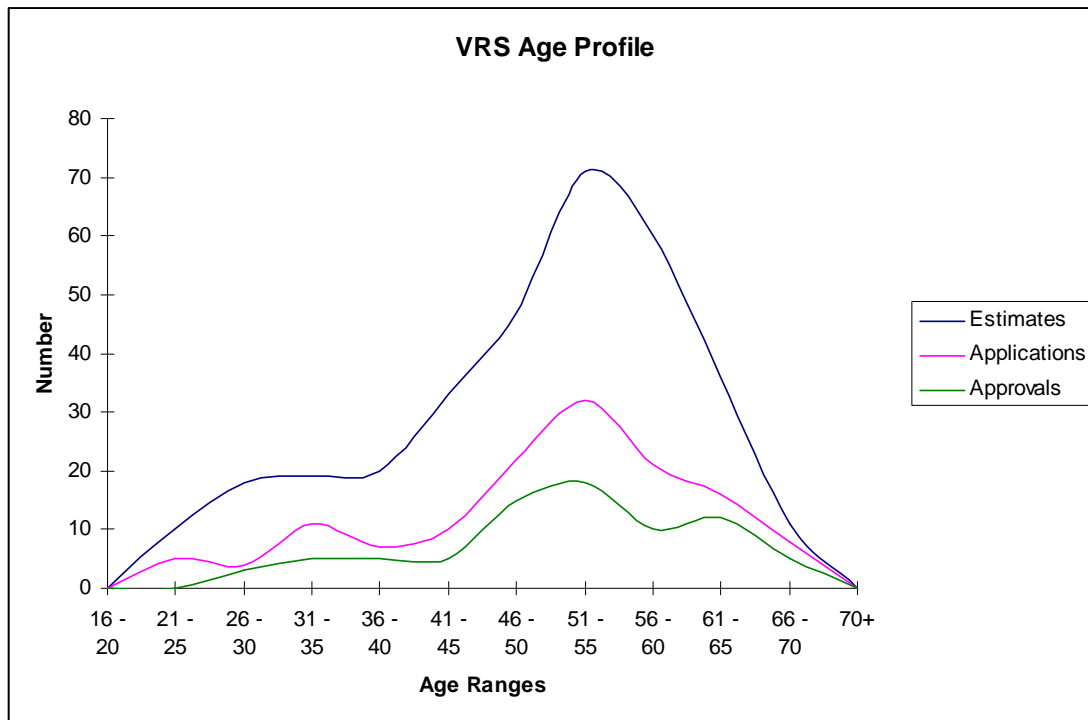
5 were from BME groups (6.1% of applicants)

4 were staff who have declared a disability (4.9% of applicants)

The level of successful applications for BME staff are proportionately lower than the proportion applying (8.6%) and therefore further analysis is needed. Of the 5 rejected BME applicants, 3 were from 'front line' services in DESSH. The 2 rejected applicants from ENCAS were a cleaner and an applicant from Streetcare. There were 4 applications from cleaning staff - one approved (part time woman worker in Hexagon who has not declared her ethnicity) and 3 others were declined - 2 White British and 1 BME). There were 3 applications from Streetcare - one approved (White British) and two declined (1 White British and 1 BME).

C. AGE ANALYSIS - ESTIMATES, APPLICATIONS & APPROVALS

The following table shows the distribution of estimate requests, applications and approvals profiled by age -



The estimate/application/ approval effects of the VRS programme will be distorted because of the age / compensation effect (ie staff who are older and / or have longer service may find the financial benefits more attractive Vs the impact of costs on management decisions to release). The key test here is to identify whether any age group appears to have been excluded from the programme and whether there is a correlation between estimates/applications/approvals.

D. ANALYSIS

At the estimate and application stages, it can be argued that the estimate request stage is key to assessing whether there were barriers to any groups of staff in accessing the scheme. This is the stage where staff would explore a potential interest through seeking financial advice about benefits (it is not possible to measure how many staff accessed IRIS and made their own enquires or indeed the profile of these staff).

The proportions of staff from directorates and groups with protected characteristics largely conform to the proportions in the Council as a whole. This gives a relatively high confidence that staff were aware of the scheme and were able to access details to enable them to come to a decision whether to apply.

The profile for staff who make an application is seen as being less significant inasmuch as these decisions are formed through a number of personal and situational variables which are specific to the individual. A close match between applicants and profiles of staff in the Council is not likely to be strong. There is no evidence that the variances identified are significant or otherwise point to barriers to accessing the scheme.

At the approval stage variances in proportion between the profiles of applicants and that of approved releases have been examined more closely and do not indicate that any group was excluded or appears to have faced a disadvantage.

In respect of the age profile, it would appear that no age ranges were excluded from the programme and that there is a broad correlation between the various stages of the programme.

E. CONCLUSIONS

There is no evidence that staff were prevented from access to information relating to the VRS programme at the estimate or application stages. At the approval stage variances in proportion between the profiles of applicants and that of approved releases have been examined more closely and do not indicate that any group was excluded or appears to have faced a disadvantage.

5. EQUALITY IMPACT ASSESSMENT

5.1. Included in the body of the report.

6. LEGAL IMPLICATIONS

6.1. Included in the body of the report.

7. FINANCIAL IMPLICATIONS

7.1. None arising from this report

8. BACKGROUND PAPERS

8.1. None

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF EDUCATION, SOCIAL SERVICES AND HOUSING

TO:	PERSONNEL COMMITTEE		
DATE:	7 MARCH 2013	AGENDA ITEM:	5
TITLE:	KENNET DAY NURSERY FEES		
LEAD COUNCILLOR:	JO LOVELOCK	PORTFOLIO:	PERSONNEL COMMITTEE CHAIR
SERVICE:	KENNET DAY NURSERY	WARDS:	Borough wide
LEAD OFFICER:	THERESA SHORTLAND	TEL:	0118 9390499
JOB TITLE:	HEAD OF EARLY YEARS AND EXTENDED SCHOOLS SERVICE	E-MAIL:	Theresa.shortland@reading.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to make recommendations for an increase to the nursery fees for Kennet Day Nursery from April 2013.

2. RECOMMENDED ACTION

- 2.1 That the childcare fees for Kennet Day Nursery be increased by 5% from April 2013 to the following:

£205 per week (RBC Users)
£225 per week (Non RBC Users)

The current supplements continue:
£2 per day for children aged under 2 years
£2 per day for siblings

3. POLICY CONTEXT

The most recent fee proposal agreed in September 2011 requested a number of alterations:

- The nursery to run on a self funding basis with a zero budget build and to achieve this, a consistent 85% occupancy level was required throughout the year.
- That childcare fees increase by 10% with affect from October 2011.
- A change to the calculation method of fees accounting for 52 weeks of the year rather than the 51 weeks, with affect from January 2012.
- That the nursery open to other public sector workers and voluntary organisations with affect from September 2011 to increase occupancy.

In the financial year 2012/13 the nursery fees were not increased. The occupancy level has not achieved the necessary 85%. This means that costs have not been fully off set by income creating a budget pressure of approximately £100,000.

4. THE PROPOSAL

- 4.1 This proposal is to increase the nursery fees by 5%. The increase will contribute to the running costs of the nursery and reduce the potential budget pressure for 2013-2014 which is calculated on a consistent occupancy level of 85% throughout the year.
- 4.2 The proposed fee increase will see a cost increase to users of £2 a day or £10 a week resulting in a weekly fee of £205. The average fee charged by other day nurseries within a 1500m range of the Civic Centre is £217 a week. See table of comparison nursery fees (8.2.)

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The nursery contributes to the strategic aims of promoting equality and social inclusion; and to securing the most effective use of the Council's resources (staff) in the delivery of high quality, Best Value public services.
- 5.2 The objective of the nursery is to provide high quality childcare for the children of employees, to allow these employees to work for the Council whilst meeting their childcare commitments as parents and/or primary carers.
- 5.3 The nursery is regarded by childcare practitioners in Reading as being a quality childcare service. The latest OFSTED inspection carried out in 2011 confirmed this, rating the nursery as good. It reinforces its high standards by:
- Using only predominantly level 3 qualified staff to meet its child : staff ratios (i.e. Trainees are supernumerary due to their age)
 - Paying staff at above-market rates for childcare
 - Offering staff training in-house, and towards professional qualifications (NVQs)
 - Providing effective management leadership, with a nursery manager, a Deputy, and Supervisors for each of the care rooms

6 LEGAL IMPLICATIONS

- 6.1 The nursery is provided by the Council for its staff under Sections 111 and 112 of the Local Government Act 1972. It operates under the provisions of the Children Care Act 2006. The day nursery is registered with OFSTED to provide full day-care for children under six.
- 6.2 Under the arrangements for consultation set out by the former Equal Opportunities Sub-Committee when it set up the nursery in 1987, and set out in a long-standing partnership agreement, the Council is required to consult with the Day Nursery Association before it makes any changes to fees or charges for the day nursery. This position was reaffirmed at the Kennet Day Nursery AGM on 12 September 2011 with the full Day Nursery Association and at the Personnel Committee on 22 September 2011. A consultation for this proposed fee increase took place with the Users Committee on 5 February 2013.

7. FINANCIAL IMPLICATIONS

- 7.1 The current occupancy level for the nursery in February 2013 is 78% with 15% of these being non RBC. Non RBC users pay fees at a 10% higher rate. The occupancy is likely to increase again in April 2013 to 84% with new users.
- 7.2 Opening to the nursery non RBC employees has supported the improved occupancy levels but not enough to relieve the budget pressure in the current year.
- 7.3 If no action is taken to increase the fees in 2013/14 then the ongoing running costs will result in a further increase to the budget pressure that financial year.
- 7.4 The assumed occupancy rate of 85% for 13/14 is unlikely to be consistently attained based on performance to date and with a reducing workforce. Further proposals will be brought forward to ensure the future financial sustainability of the workplace nursery.

8. BACKGROUND PAPERS

- 8.1 Kennet Day Nursery Users minutes dated 5 February 2013.

8.2 Table of fees from other Nurseries within a 1500m range

Greyfriars	£228	8.00 - 6.00
Buffer Bear	£218	7.30 - 6.30
Forbury Gardens	£225	8.00 - 5.45
Mary Seacole	£192	8.00 - 5.45.
Berkley Gardens	£230	8.00 - 5.45.
Little Tots	£235	8.00 - 4.30.
Western Elms	£210	8.00 - 6.00
Bees Knees	£223	7.00 - 6.30
Natural steps	£200	7.30 - 6.00.
Pine Rivers	£210	7.30 - 6.00
Wigwam	£249.95	8.00 - 6.00
Rainbow Day nursery	£184.3	7.30- 6.00 NHS Work Place Day Nursery

READING BOROUGH COUNCIL

TO:	PERSONNEL COMMITTEE		
DATE:	7 MARCH 2013	AGENDA ITEM:	6
TITLE:	DRAFT PAY POLICY STATEMENT REVISION 2013/14		
LEAD MEMBER:	CLLR JO LOVELOCK		PERSONNEL COMMITTEE CHAIR
SERVICE:	CORPORATE RESOURCES	WARDS:	BOROUGHWIDE
AUTHOR:	ANNE BURTON	TEL:	72492/939 0492
JOB TITLE:	HEAD OF HR	E-MAIL:	Anne.Burton@reading.gov.uk

1. PURPOSE AND SUMMARY OF REPORT

- 1.1. The purpose of this report is to ask this Committee to note the attached draft revised (2013/14) Pay Policy Statement, which needs to be approved by full Council later this month, in accordance with section 38 of the Localism Act 2011

2. RECOMMENDED ACTION

- 2.1. That you note the draft revised (2013/14) Pay Policy Statement attached at Appendix 2, which will take effect from 1 April 2013.

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 2013/14 updates the Statement. There are no substantive changes to record, and the amendments relate to dates and terminology (in particular references to the 'Chief Executive' are replaced by references to the 'Managing Director' following the changes to the senior management structure).
- 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 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 proposed 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 2013/14 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 2013/14 Pay Policy Statement and will be reviewed as part of future pay policies.
- 3.14. Since the draft revised Pay Policy Statement was taken to Local Joint Forum, for information, supplementary guidance has been issued by the DCLG (dated Feb 2013). This supplementary guidance (attached as Appendix C) is being considered, and any necessary amendments will be made to the revised pay policy statement for approval by Council later this month. Initial views will be reported orally to the meeting of this Committee.

4. THE PROPOSAL

- 4.1. A copy of the proposed 2013/14 Pay Policy Statement can be found at Appendix 2. This will need to be submitted to full Council for approval, on 26th March.

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 draft Pay Policy Statement.

7. LEGAL IMPLICATIONS

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

8. FINANCIAL IMPLICATIONS

- 8.1. None arising from this report

9. BACKGROUND PAPERS

- 9.1. None

APPENDIX 1

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 2013/14

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. Pay levels will not be unnecessarily generous or otherwise excessive.
- 1.2. 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.
- 1.3. 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.
- 1.4. 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 31 March 2012
 - Annex E: Pension Discretions Statement
- 1.5 The following related documents can be accessed through the Council's website:
 - o Details of all Staff paid above £58,200
 - o Market Supplement Policy
 - o Pay grades

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. Under Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, this power cannot be exercised by the authority's executive (Cabinet). 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 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). 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 2013/14 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 HR 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 Education, Social Services and Housing (designated Director of Children's Services and Adult Social Services);
 - (c) the Director of Environment, Culture and Sport
 - (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 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:
 - Low Pay Policy
 - Recruitment and Selection Policy
 - Employment Stability Agreement and Pay Protection Policy
 - Appraisal Scheme and Performance-Related Progression Scheme
 - 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 all groups was last increased nationally ('cost of living' increase) in April 2009. The Council will apply any settlement reached nationally in respect of April 2013.
- 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 (£14,733 / £7.64 per hr). 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). 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 school leaver trainee jobs, where knowledge and skill requirements are at a minimum level.

- 7.2. Apprentices are paid the nationally recommended allowance rate of £98.05 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.
- 7.3. The new grade RG2 covers 5 spinal column points, rising to scp15 (£16,054 pa or £8.32per hour). As with all new grades, there is a performance gateway mid-way through the grade, at scp14 (£15,725 pa, or £8.15 per hour).
- 7.4. Reading Borough Council is committed to developing a local policy to promote and, where appropriate, require the application of the Council's low pay policy to staff working for the Council's contractors in addition to the application of TUPE; and provisions for future procurement exercises and other opportunities will include a requirement to have regard to the Council's low pay commitment to policy in the specification to tender and opportunities and successes will be reported to Personnel Committee or Cabinet as appropriate

8. PAY MULTIPLES

- 8.1. The highest paid salary in this authority [at 1.4.13] 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 £14,733 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.
- 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 published on the Council's website.

10. PAY PROFILE

- 10.1. Annex D shows employees at 31 March 2012 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 55% women, with the proportion reaching around 70% in bands 2, 3 and 9.
- 10.4. This analysis shows that the level of BME staff in the higher earnings bands has remained static since 2011 with 3.6% 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 1.7 and 3.5%. The proportion of people with a disability is relatively even across most of the bands.
- 10.6. This information will be further refined in future years to take account of the provisions of the Equality Act 2010.

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 1st 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 Department, 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. 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 15.4%. 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: (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 and bicycle purchase, and 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 Head of HR. 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. 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 is reduced in cases where a reasonable offer of suitable alternative employment is deemed to have been unreasonably refused.
- 16.5. Compromise 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.
- 16.6. 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.

- 16.7. 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 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 staff paid above £58,200 are disclosed.

20. AMENDMENTS TO THE POLICY

- 20.1. As the policy covers the period April 2013 - end March 2014, 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

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 - 23 May 2012

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 - 23 May 2012: Article 4, 4.2 Functions of the full Council:

Only the Council will exercise the following functions:

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

1.3. Constitution of Reading Borough Council - 23 May 2012: 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] (and Head of Paid Service)

Director of Education, Social Services and Housing

Director of Environment, Culture and Sport

(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

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 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 [Managing Director] as 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 [Managing Director];

(3) To undertake performance appraisals of the [Managing Director] 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 include the following:

2. Appointment, Dismissal and Disciplinary Action

2.1 The appointment and dismissal of, and taking disciplinary action against, a member of staff of the Council shall be carried out by the [Managing Director] as the Head of the Council's Paid Service or by an officer nominated by him/her. A record of officers nominated by the [Managing Director] shall be maintained by the Head of [Human Resources].

2.2 Paragraph 2.1 shall not apply to the appointment or dismissal of, or disciplinary action against an officer holding a post described in Sections 2 and 9 of the Local Government & Housing Act 1989. This includes the following:-

- (a) the Head of the Authority's Paid Service
- (b) the Director of Education, Social Services and Housing and the Director of Environment, Culture and Sport
- (d) the Monitoring Officer (Head of Legal Services)
- (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 any of the posts listed above (other than staff whose duties are of a clerical or support nature)
- (g) persons who, as respects all most of their duties report directly or are directly accountable to the Council or a Committee or Sub-Committee of the Council
- (h) assistants for political groups.

- 2.3 Any appointment or dismissal of an officer designated as the Head of the Council's Paid Service, shall be approved by the full Council before any offer of appointment or notice of dismissal is given to the person concerned.
- 2.4 Where the Council appoints a Committee or a Sub-Committee to carry out the function of appointing or dismissing any officer to or from the positions referred to in paragraph 2.2 above, the Committee or Sub-Committee shall include at least one member of the Cabinet.
- 2.5 No offer of an appointment to a post referred to in paragraph 2.2 above etc shall be made until:
- (i) the Committee, Sub-Committee or officer making the appointment has notified the Head of [Human Resources] of the name of the person to whom the offer is to be made and any other particulars which the Committee, Sub-Committee or officer considers are relevant to the appointment, and
 - (ii) The Head of [Human Resources] has notified every member of the Cabinet of
 - (a) the name of the person to whom the offer is to be made
 - (b) any other particulars relevant to the appointment which have been notified to the Head of [Human Resources] and
 - (c) the period within which any objection to the making of the offer is to be made by the Leader of the Cabinet on behalf of the Cabinet to the Head of [Human Resources], and
 - (iii) either
 - (a) the Leader has, within the period specified in the Notice, notified the Committee, Sub-Committee or officer that neither he/she nor any other member of the Cabinet has any objection to the making of the offer, or
 - (b) The Head of [Human Resources] has notified the Committee, Sub-Committee or officer that no objection was received by him/her within that period from the Leader, or
 - (c) the Committee, Sub-Committee or officer is satisfied that any objection received from the Leader within that period is not material or is not well-founded.

5. Dismissal [*includes dismissal on redundancy grounds*]

- 5.1 No notice of dismissal shall be issued to a post referred to in paragraph 2.2 above etc [*Chief officers, Heads of Service - 1(c) above*] until:
- (i) the Committee, Sub-Committee or officer issuing the notice of dismissal has notified the Head of [Human Resources] of the name of the person to whom the notice is to be issued and any other particulars which the Committee, Sub-Committee or officer considers are relevant to the dismissal.
 - (ii) the Head of [Human Resources] has notified every member of the Cabinet of
 - (a) the name of the person to whom the notice of dismissal is to be issued
 - (b) any other particulars relevant to the dismissal which have been notified to the Head of [Human Resources] and
 - (c) the period within which any objection to the making of the dismissal is to be made by the Leader of the Cabinet on behalf of the Cabinet to the Head of [Human Resources], and
 - (iii) either
 - (a) the Leader has, within the period specified in the Notice, notified the Committee, Sub-Committee or officer that neither he/she nor any other member of the Cabinet has any objection to the making of the dismissal
 - (b) The Head of [Human Resources] has notified the Committee, Sub-Committee or officer that no objection was received by him/her within that period from the Leader or
 - (c) the Committee, Sub-Committee or officer is satisfied that any objection received from the Leader within that period is not material or is not well-founded."

- 1.6. Under the mandatory Standing Orders approved by Council in March 2002, the decision to effect dismissal or retirement on the grounds of redundancy, efficiency of the service or ill health is delegated to the Personnel Committee for posts covered by the Local Authorities (Standing Orders) (England) Regulations 2001 at Head of Service level and above, and compensation terms associated with redundancy termination are a matter for Personnel Committee to approve. As noted above in the Officer Employment Procedure Rules paragraph 2.3, any appointment or dismissal of an officer designated as the Head of the Council's Paid Service, shall be approved by the full Council before any offer of appointment or notice of dismissal is given to the person concerned.

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 31.3.12

Grade Bandings	Population	Women		BME			Disability		
		No	%	No	ND	%	No	ND	%
RG1 Up to £14,733	18	12	66.60%	3	1	17.6%	0	0	0.00%
RG2 £16,054	355	252	71.00%	67	10	19.4%	6	8	1.7%
RG3 £19,126	489	375	76.70%	66	28	14.3%	14	45	3.2%
RG4 £23,708	657	422	64.20%	88	12	13.6%	16	49	2.6%
RG5 £28,636	350	241	68.80%	49	16	14.7%	11	26	3.4%
RG6 £32,800	274	161	58.80%	34	16	13.2%	7	25	2.8%
RG7 £38,042	240	166	69.10%	24	12	10.5%	2	14	0.9%
RG8 £43,396	123	74	60.10%	9	5	7.6%	4	9	3.5%
RG9 £48,753	52	40	76.90%	5	2	10.0%	1	2	2.0%
RG10 £52,393	34	21	61.80%	1	1	3.0%	2	1	6.1%
Above £52,393	59	32	54.20%	2	4	3.6%	1	4	1.8%
	2651	1796	67.7%	348	107	13.7%	64	183	2.6%

- 1 - Based on 2011/12 pay bands and earnings
- 2 - As a proportion of employees who have made a positive declaration
- 3 - Excludes schools

PAY POLICY STATEMENT – ANNEX E

PENSION DISCRETIONS STATEMENT

EMPLOYER DISCRETIONS - STATEMENT OF POLICY

LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2007 (as amended)

The employer known as Reading Borough Council has prepared this written statement of policy in relation to its exercise of certain discretionary functions available under the above regulations.

PART A - Formulation of policy in accordance with Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2007 (as amended)

Regulations in this part refer to the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended)

1. Regulation 12 - Power of an employing authority to increase total membership of active members.

An employer may resolve to increase the total membership of an employee at any time whilst he is an active member of the Scheme with them. The maximum additional membership period that can be awarded is 10 years.

The employer must pay to the Pension Fund, within one month from the date that any additional membership is awarded (or such longer period as agreed between the employer and the administering authority), a sum as calculated in accordance with guidance issued by the Government Actuary.

Employer's policy

a) *Reading Borough Council has resolved to consider the scheme for augmentation in Regulation 12 ONLY as an exception, subject to the following criteria:*

- i. *where employment is terminated on grounds of redundancy or in the interests of the efficient exercise of the authority's functions, AND*
- ii. *where the employee has accrued 25 years' service in the LGPS (including service transferred in from the Teachers' Pension Scheme, but excluding any other transferred service); AND:*

where the following factors indicate an exceptional case:

- i. *significant and exceptional benefits to be gained for the Council in short or long term financial implications*
- ii. *significant and exceptional benefits to be gained for the Council in service performance or business transformation opportunities;*

OR:

iii. on compassionate grounds in cases of exceptionally difficult personal or domestic circumstances

2. Regulation 13 - Power of employing authority to award additional pension

An employer may resolve to award an employee, at any time whilst he is an active member of the Scheme with them, additional pension of not more than £5,000 a year payable from the same date as his pension is payable under any provisions of the Local Government Pension Scheme Regulations.

Additional pension may be paid in addition to any increase increase of membership under regulation 12 of the LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended).

The employer must pay to the Pension Fund, within one month from the date that any additional membership is awarded (or such longer period as agreed between the employer and the administering authority), a sum as calculated in accordance with guidance issued by the Government Actuary.

Employer's policy

- a) Reading Borough Council has resolved not to adopt this discretion at this time.*
-

3. Regulation 18 - Flexible retirement

A member who has attained the age of 55 and who, with his employer's consent, reduces the hours he works, or the grade in which he is employed, may make a request in writing to the appropriate administering authority to receive all or part of his benefits under the Regulations, and such benefits may, with the employer's consent, be paid to him notwithstanding that he has not retired from that employment.

If the payment of benefits takes effect before the member's 65th birthday they will be reduced in accordance with guidance issued by the Government Actuary unless the employer agrees to waive, in full or in part, any such reduction at their cost.

Employer's policy

- a) Reading Borough 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.*
- b) Reading Borough 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.*
-

4. Regulation 30 - Choice of early payment of pension

If a member leaves a local government employment before he is entitled to the immediate payment of retirement benefits, once he has attained the age of 55 he may choose to receive payment of them immediately. A choice by a member aged less than 60 is ineffective without the consent of his employer or former employer and the employer must pay to the Pension Fund a sum representing the capital cost of releasing those benefits early.

His pension must be reduced by the amounts shown as appropriate in guidance issued by the Government Actuary although the employer may determine on compassionate grounds to waive the actuarial reduction.

Employer's Policy

a) *Reading Borough Council has resolved that such an election will only be considered where there will be a sufficient financial or other benefit to the authority.*

Exceptions to this requirement

- (i) that the immediate payment of benefits may be made at no cost to the Council OR*
- (ii) the employee or ex-employee's exceptionally difficult personal or domestic circumstances*

b) *Reading Borough Council has resolved that, where the Regulations provide for actuarial reduction, this will normally be applied except where the authority approves on compassionate grounds that there will be no such reduction.*

c) *Reading Borough Council has further resolved that, in this context, "compassionate grounds" will nearly always be those arising out of very difficult personal or domestic circumstances.*

PART B - Formulation of policy in accordance with further discretions under the Local Government Pension Scheme (Administration) Regulations 2007 (as amended)

Regulations in this part refer to the Local Government Pension Scheme (Administration) Regulations 2007 (as amended)

5. Regulation 16 - Re-employed and re-joining deferred members

Where a deferred member becomes an active member again before becoming entitled to the payment of those deferred retirement benefits, he may elect to have his former deferred membership aggregated with his current active membership on or after the date that he again becomes an active member. An election must be made within 12 months from the date that the member re-joins the Local Government Pension Scheme or such longer period as his employer may allow.

It is worth noting that if the member has more than one former period of deferred membership, it is only the most recent deferred membership period that can be aggregated with his current active membership unless earlier periods of deferred

membership have already been aggregated with the most recent period of deferred membership.

Employer's policy

- a) *Reading Borough Council has resolved that it will give such an opportunity to its employees.*
 - b) *Reading Borough Council has resolved not to extend the time limit for election beyond 12 months.*
-

6. Regulation 22 - Applications to make absence contributions

This provides for a scheme member to pay optional contributions, for a period of unpaid absence from work, within 30 days of returning to, or of ceasing, employment. The employer can agree to extend this time limit.

Employer's policy

- a) *Reading Borough Council has resolved to extend that time limit to three months, whether or not the employee is still its employee at the time of election.*
-

7. Regulation 25 - Additional Voluntary Contributions (AVCs) and Shared Cost Additional Voluntary Contributions (SCAVCs)

An active member may elect to pay AVCs into a scheme established under contract between his appropriate administering authority and a body approved for the purposes of the Finance Act 2004.

Under paragraph 3 of this regulation an employer can, at its discretion contribute to the AVC scheme and where they do the AVC scheme is known as a shared cost additional voluntary contributions arrangement and contributions to it as SCAVCs.

Employer's policy

- a) *Reading Borough Council has resolved not to adopt this discretion at this time.*
-

8. Regulation 83 - Inward transfers of pension rights

This provides that an active scheme member may elect to transfer into the Local Government Pension Scheme relevant pension rights held elsewhere. The member must request the transfer of such rights in writing within 12 months of becoming a member of the Local Government Pension Scheme or such longer period as the employer may allow.

Employer's policy

- a) *Reading Borough Council has resolved that it will give such an opportunity to its employees.*
 - b) *Reading Borough Council has resolved not to extend the time limit for election beyond 12 months.*
-

9. Regulation 57(5)(c) - Notification of decisions under regulation 58

Responsibility for determinations under the first stage of the Internal Disputes Resolution Procedure rests with a "specified person" appointed by the (former) employer of a scheme member.

Employer's policy

The specified person for this employer is:

Name:	TBC
Job Title:	TBC
Address:	Civic Centre, READING, RG1 7AE

PART C - Formulation of policy with regard to Regulation 5 of the Local Government Pension Scheme Regulations (Benefits, Membership and Contributions) Regulations 2007 (as amended)

10. Regulation 5 - Contributions payable by active members

An active member shall make contributions to the Scheme at the contribution rate from his pensionable pay in each employment in which he is an active member. The contribution rate to be applied to his pensionable pay in any financial year (starting with 1st April 2008) is the rate determined by the employer to represent the assumed pensionable pay for the forthcoming year.

Where there is a material change to a member's pensionable pay in the course of a financial year, the employer may re-determine the contribution rate to be applied in his case.

Employer's policy

- a) *Reading Borough Council has resolved not to re-determine the contribution rate in the course of the financial year.*
 - b) *The exception to this will be where a member requests a review of his/her contribution rate as a result of a material change in pensionable pay.*
-

PART D - Formulation of policy with regard to Regulation 9 of the Local Government Pension Scheme (Transitional Provisions) Regulations 1997

9. Regulation 9 - Women with membership before 6th April 1988

This regulation provides for the employer accepting all married female scheme members have made an election to provide their husbands with a widower's pension for any relevant service (unless the employee states in writing that she does not wish such an election to be provided).

Employer's policy

- a) *Reading Borough Council has resolved that it should accept that all married female scheme members have made such an election with the proviso that any employee may elect otherwise.*
-

It is understood that the above discretions 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 the new policy takes effect. The revised statement must be sent to the administering authority and publish its statement as revised.

The policies made above:

- i) Must have regard to the extent to which the exercise of the discretions could lead to a serious loss of confidence in the public service;
- ii) Will not be used for any ulterior motive;
- iii) Will be exercised reasonably;
- iv) Will only be used when there is a real and substantial future benefit to the employer for incurring the extra costs that may arise;
- v) Will be duly recorded when applied.

Signed on behalf of the Employing Authority:



Name in Block Capitals: ANNE BURTON

Position: HEAD OF HR

Employing Authority: READING BOROUGH COUNCIL

Date: MARCH 2012

Openness and Accountability in Local Pay: Supplementary Guidance

1. Sections 38 to 43 of the Localism Act 2011 require relevant authorities to prepare a pay policy statement for the financial year 2012-13 and each subsequent financial year. Section 40 of the Act includes provision for the Secretary of State to issue guidance on the content and application of senior pay statements. Relevant authorities must have regard to this guidance in the exercise of their functions under the pay accountability provisions.
2. *Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act* was published in February 2012 and can be accessed here: [Pay Accountability Guidance](#)¹. That Guidance still stands. This note supplements that Guidance and authorities in England must take account of when preparing their pay policy statements for 2013-14 and each subsequent financial year.
3. If a relevant authority has concluded that a particular section(s) of the Guidance is not applicable to their local circumstances, the relevant authority should set out clearly in their pay policy statements why they consider this to be the case.

Presentation and accessibility

4. Pay policy statements are public documents to be used as an information source to enable local taxpayers to hold their councillors to account on pay matters.
5. The Localism Act 2011 requires that as soon as is reasonably practicable after approving or amending a pay policy statement, authorities must publish the statement or the amended statement in such manner as they see fit which must include publication on the authority's website. In addition, section 38 (4) requires authorities to set out in their pay policy statements their approach to the publication of and access to information relating to the remuneration of chief officers.
6. Once approved, authorities should ensure their pay policy statement is published as soon as is reasonably practicable. Evidence suggests that, while authorities had prepared their pay policy statements and published them online for 2012-13, a significant number of statements were not easily accessible and readily available to the public.² Authorities should

¹ Link to *Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act* published in February 2012

² One Society published a report: *Leading the way on fair pay – which is an assessment of principal local authorities in England & Wales using local authorities' pay policy statements as source of information. On availability and accessibility of pay policy statement it found that the statements in the majority of cases could not easily be found.*

<http://www.onesociety.helencross.co.uk/wp-content/uploads/2012/09/FairPayReport2012.pdf>

ensure that statements can be easily found, for example, by a simple search on their website. The statement itself should be published as a stand alone document in its final form, perhaps within the website's transparency section or with other pay and workforce information.

7. The information within pay policy statements should be presented in a clear and accessible format. Evidence suggests that authorities should do more to ensure that that jargon is kept to a minimum, any acronyms used are explained, and that any hyperlinks used to access other documents or websites work properly.³ In addition, authorities should set out clearly and separately their policies against each of the requirements listed in the relevant sections of the Localism Act 2011. Where this is done effectively, it will help enable taxpayers to decide whether they are getting value for money in the way that public money is spent on local authority pay and reward.

Accountability

Salaries on appointment

8. The existing Guidance makes clear that full council (or a meeting of members for fire authorities) should be given the opportunity to vote before large salary packages offered in respect of a new appointment. The Guidance states that the Secretary of State considers that £100,000 is the right level for that threshold to be set and that figure remains the same.
9. For 2012-13, it appears that not all authorities chose to articulate in their statement if this was being done. Local taxpayers should know what their authority's policy is on senior appointments and, specifically, have a right to expect that decisions about the most senior - and most costly - appointments are being taken by those who are directly accountable to local communities. As with all aspects of this Guidance, authorities should address this issue within their policy statements and make clear how they have taken account of this policy.
10. There will be some authorities whose salary structures do not include posts or appointments over £100,000. Where this is the case, those authorities should seek to achieve a similar degree of openness and accountability. Specifically, such authorities should set their own salary threshold which is more suited to their local circumstances and should allow full council an opportunity to vote on salary packages for new appointments above that level.⁴

Severance payments

11. There has been a great deal of public scrutiny of the level of severance payments awarded to senior local government staff and rightly so. Authorities should ensure that they manage their workforces in a way that best delivers best value for money for local taxpayers and sets the right

³ One Society report: Leading the way on Fair Pay

<http://www.onesociety.helencross.co.uk/wp-content/uploads/2012/09/FairPayReport2012.pdf>

⁴ Salary packages should include salary, any bonuses, fees or allowances routinely payable to the appointee and any benefits in kind to which the officer is entitled as a result of their employment.

example on restraint. This includes any payments offered to staff leaving the authority.

12. Authorities are already required to publish their policies on severance for chief officers⁵ and their policy on discretionary compensation for relevant staff in the event of redundancy.⁶ In addition, other regulations provide for disclosure of remuneration of senior employees including details of severance payments within authorities' annual statement of accounts.⁷
13. Taken together, these measures enable greater scrutiny of the money spent by authorities on severance. However, given continuing public concern about the level and frequency of such payments, there is a case for going further to ensure that decisions to spend local taxpayers' money on large pay-offs are subject to appropriate levels of accountability. Authorities should, therefore, offer full council (or a meeting of members in the case of fire authorities) the opportunity to vote before large severance packages beyond a particular threshold are approved for staff leaving the organisation. As with salaries on appointment, the Secretary of State considers that £100,000 is the right level for that threshold to be set.
14. In presenting information to full council, authorities should set out clearly the components of relevant severance packages. These components may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid.
15. This follows on from the Secretary of State's announcement⁸ that he intends to remove the costly and bureaucratic requirement for a designated independent person to investigate allegations of misconduct by senior officers from the Local Authorities (Standing Orders) (England) Regulations 2001. We are currently consulting with the Local Government Association and others on the draft regulations to give effect to these changes.

Role of Mayors

16. The Localism Act requires that pay policy statements must be approved by full council. Our expectation would be that where councils have directly elected mayors, they would involve the directly elected mayor and have regard to any proposals the mayor may have before the statement is considered and approved.

⁵ The Localism Act 2011, s.38 (4) (f)

⁶ Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

⁷ Accounts and Audit (England) Regulations 2011

⁸ Press Notice 9 November 2012 <https://www.gov.uk/government/news/eric-pickles-acts-to-limit-town-hall-chiefs-golden-goodbyes>

READING BOROUGH COUNCIL

REPORT BY MANAGING DIRECTOR

TO:	PERSONNEL COMMITTEE		
DATE:	7 MARCH 2013	AGENDA ITEM:	7
TITLE:	MANAGING DIRECTOR'S PERFORMANCE APPRAISAL		
LEAD COUNCILLOR:	CLLR JO LOVELOCK	PORTFOLIO:	LEADER
SERVICE:	HUMAN RESOURCES	WARDS:	BOROUGH-WIDE
LEAD OFFICER:	IAN WARDLE	TEL:	0118 937 2067 (EXT 72067)
JOB TITLE:	MANAGING DIRECTOR	E-MAIL:	IAN.WARDLE@READING.GOV.UK

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to agree an approach for undertaking the Managing Director's performance appraisal and setting of proposed performance objectives.

2. RECOMMENDED ACTION

- 2.1 That Personnel Committee approves the approach outlined in this report for undertaking the Managing Director's performance appraisal; and
- 2.2 That Personnel Committee requests that the Managing Director brings forward proposed performance objectives for consideration at the next committee meeting.

3. POLICY CONTEXT

- 3.1 Under the terms of the Council's Constitution (May 2012) the responsibility for appraising the Managing Director lies with Personnel Committee (Article 8, Section 6 (powers and duties of Personnel Committee)(3): "To undertake performance appraisals of the [Managing Director] and Corporate Directors; and to set annual targets against which performance can be measured.")

3.2 The performance appraisal is an essential part of the effective management of the Authority.

3.3 The performance appraisal provides the opportunity for:

- All round communication and feedback;
- Discussion and agreement of annual targets (“objectives”);
- Discussion about the Managing Director’s learning and development needs to help improve the performance of the Council; and
- Identification of any problems or issues at an early stage.

4. THE PROPOSAL

Current position

4.1 Following a recruitment exercise, the Council’s new Managing Director commenced his duties on the 4 February, 2013.

4.2 It is important from the outset that objectives are set for the role and that the approach for undertaking the Managing Director’s performance appraisal is agreed to ensure that the Council’s priorities can be achieved.

Proposed approach

4.3 The focus of the performance appraisal process is about clarifying what the Managing Director is expected to achieve on behalf of the Council and identifying any continuing developmental needs which, if met, would maintain a high level of performance.

4.4 This is a two way process, aimed at building mutual trust and respect. It will be carried out openly, ensuring that the principle of “no surprises” is at the heart of it.

Performance Appraisal

4.5 The Managing Director’s performance appraisal would take place on a predetermined date annually, backed up by quarterly monitoring meetings with the Leader and Deputy Leader at which targets would be reviewed for continuing relevance, as it is recognised that the formal system of appraisal would not prevent the continuous review of progress and performance.

4.6 The performance appraisal would focus on:

- What the Managing Director has done well;
- What the Managing Director could have done better;

- The major issues over the next year that the Managing Director needs to address and agreeing new performance objectives;
 - What developmental needs the process has identified for the Managing Director; and
 - Any issues the Leader and Deputy Leader may need to resolve to ensure the Managing Director continues to have the support he will need in the role.
- 4.7 Prior to the performance appraisal, material would be prepared to inform the meeting. This would include:
- The Managing Director preparing a self-appraisal covering performance (services, finance, organisational), personal effectiveness, and proposed priorities for the coming year. The self-appraisal would be submitted in writing to the Leader and Deputy Leader 10 working days in advance of the performance appraisal meeting; and
 - A '360 Degree' Appraisal would be undertaken before the annual performance appraisal meeting. A facilitator would be appointed by the Leader and Deputy Leader to seek feedback about the Managing Director's performance with appropriate Lead Councillors, Party Leaders, colleague Directors, some Heads of Service, and partners. This feedback report would be submitted by the facilitator at least 10 working days in advance and would be considered as part of the annual performance appraisal meeting.
- 4.8 The Leader and Deputy Leader as part of the annual performance appraisal meeting would meet with the Managing Director to review, discuss and challenge the Self-Appraisal and the '360 Degree Appraisal'.
- 4.9 They would discuss positive achievements over the past twelve months and identify reasons for good performance and also instances over the past twelve months where targets had not been met, identifying the factors preventing the achievement of agreed objectives.
- 4.10 The Managing Director would provide a presentation of his understanding of the objectives which need to be achieved in the next 12 month period. This would be a short list, concentrating on the "big picture" of what needs to be achieved. The personal actions and targets for the Managing Director would be listed by the Managing Director, for consideration by the Leader and Deputy Leader.
- 4.11 The outcome would be an agreed set of objectives for the next 12 months and the Leader's and Deputy Leader's assessment of the Managing Director's performance.

- 4.12 A report will be taken by the Leader to Personnel Committee setting out the agreed objectives and the assessment of the previous 12 months performance of the Managing Director, for noting and approval. The Leader will feedback to the Party Leaders on the recommendations of the above report.

Personal Development Plan

- 4.13 The Managing Director will have strengths and weaknesses, and during the performance appraisal meeting it would be identified if any further professional development is necessary to equip the Managing Director to meet the Council's Objectives.
- 4.14 It is intended that the Leader, Deputy Leader and the Managing Director would discuss future developmental needs in the context of the Council's changing priorities which would lead to the design of a formal programme of continuous professional development.
- 4.15 Based on this discussion, the Managing Director would prepare a personal development plan, which would be discussed and agreed with the Leader and Deputy Leader of the Council.

Directors' Performance Appraisals

- 4.16 It is proposed that once the objectives of the Managing Director are set, and the new Corporate Plan is in place, performance objectives for the Directors will be brought forward to the Committee for consideration.

Other options considered

- 4.17 An alternative approach, which some Councils undertake, is for the appraisal process to be coordinated and chaired by an independent facilitator such as SOLACE. This is seen as impartial, but at this stage it is not the recommended course of action as the appraisal process outlined in this report is built on mutual trust. It is however, something that could be undertaken in the future if required.

Confidentiality

- 4.18 The content of the objectives and the performance appraisal meeting will be treated as confidential to the participants and the Personnel Committee. It is acknowledged that the Leader will report the recommendations of the Leader's report to Personnel Committee to the Group Leaders.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 A robust performance appraisal process is important to ensure focus on delivering the Council's priorities and also to ensure that staff are supported to achieve their potential in their respective roles. The Council's approach to continuous improvement and support to staff is important so that there continues to be a motivated and engaged workforce.

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 The objectives for the Managing Director will consider the priorities that have emerged through feedback from the 'Let's Talk' initiatives and this is something that will inform future objective setting.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 The decisions outlined in this report will not have a differential impact on: racial groups; gender; people with disabilities; people of a particular sexual orientation; people due to their age; people due to their religious belief.

8. LEGAL IMPLICATIONS

- 8.1 Under the terms of the agreement reached by the Joint Negotiating Committee (JNC) for Chief Officers it was agreed that Chief Executives (in our Council's case the Managing Director) should be subject to an appraisal process. This is incorporated within the conditions of service handbook:

"The Chief Executive's responsibilities should be set out in writing at the appointment stage. Subsequently, there should be an annual process of performance appraisal linked to those responsibilities and accountabilities".

- 8.2 It is a contractual obligation on the part of both the Managing Director, and the council to engage in a regular process of appraisal.

9. FINANCIAL IMPLICATIONS

- 9.1 The cost of employing an external facilitator for the 360 Degree review would be met from existing resources.

10. BACKGROUND PAPERS

- 10.1 There are none.