

To: Councillor Brock (Chair)
Councillors Lovelock, Maskell, Page and
Skeats

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6 March 2019

Your contact is: **Richard Woodford**

NOTICE OF MEETING - PERSONNEL COMMITTEE 14 MARCH 2019

A meeting of the Personnel Committee will be held on Thursday, 14 March 2019 at 6.30 pm in Committee Room 1, Civic Offices, Bridge Street, Reading. The Agenda for the meeting is set out below.

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1. DECLARATIONS OF INTEREST		
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5. PAY POLICY STATEMENT 2019/20	BOROUGH WIDE	25 - 54
6. KENNET DAY NURSERY FEE INCREASE 2019/20	BOROUGH WIDE	55 - 60
7. EXCLUSION OF PRESS AND PUBLIC		

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

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

“That, pursuant to Section 100A of the Local Government Act 1972 (as amended) members of the press and public be excluded during consideration of the following item 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. REDUNDANCY AND FLEXIBLE RETIREMENT COMPENSATION PACKAGES

61 - 92

Present: Councillor Brock (Chair);
Councillors Hoskin (in place of Councillor Page), Lovelock,
Maskell and Skeats.

Also Present: Alison McNamara, Miriam Palfrey and Robert Stirling (for
items 6 to 10); Shella Smith and Jackie Yates.

Apologies: Councillor Page.

6. MINUTES

The Minutes of the meeting held on 12 July 2018 were confirmed as a correct record and signed by the Chair.

7. SENIOR MANAGEMENT STRUCTURE PROPOSAL

The Chief Executive submitted a report to agree next steps in developing senior management capacity in light of two upcoming retirements and the changing needs of the Council. A copy of the current senior management structure was attached to the report at Appendix 1, a copy of the proposed senior management structure was attached at Appendix 2 and the draft role profiles were attached to the report at Appendix 3.

The report detailed the changes at directorate level for Resources, Environment and Neighbourhood Services and Adults and explained that three existing Directors would be refocused as Executive Directors but that the number of Directors would remain the same. Two new Deputy Director posts would be created for the Directorate of Social Care and Health and the Directorate of Economic Growth and Neighbourhood Services. Heads of Service would be refocused as Assistant Directors.

Resolved -

- (1) That the senior management structure, set out at Appendix 2, attached to the report, be approved in principle, subject to the outcome of consultation with the staff affected by the proposals and the Trade Unions;**
- (2) That pending the outcome of the consultation exercise, the Chief Executive, in consultation with the Leader of the Council and Leader of the Opposition, be delegated authority to oversee its implementation.**

8. NEW NJC PAY SPINE - PROPOSAL FOR IMPLEMENTATION

The Head of HR and Organisational Development submitted a report that outlined the background to the new pay spine and made a recommendation for implementing the new pay spine at the Council. A copy of the new NJC pay spine was attached to the report at Appendix 1 and an Equality Impact Assessment was attached to the report at Appendix 2.

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The report stated that the Council's current NJC pay spine had ten RG grades with RG1 having new spinal column point (scp) 11 as its highest point and RG2 had it at its lowest point. The Council used scp 11 as the lowest entry point for roles within the NJC spine. The introduction of an additional five scps to the new pay spine would have the effect of extending RG4 from its current position of eight scps to a total of 12. There was no requirement to use all of the scps in the new pay spine and the NJC agreement was silent on the approach to be taken by councils with regards to the chronology of assimilation and increments (whether to assimilate to the new pay spine first and then apply an increment or vice versa). The two approaches would produce different outcomes but either approach would be acceptable and whatever option was taken should be implemented consistently across all employees who were covered by the agreement.

In anticipation of the new national pay spine being introduced, a provision of £515k had been made in the 2019/20 budget to accommodate the increased cost of implementing the pay spine. A pay modelling exercise had been carried out using three options and these were set out in a table. The saving on selecting option 2 over option 1 was a reduction of £0.049m on total cost. If option 3 was chosen, and the new scale points were introduced into the existing grading structure, this would be the lowest cost option but would also have the impact of extending RG4 from its current position of eight scps to a total of 12. This would mean it would take employees 11 years to reach the top of the grade, rather than eight years as now, which could potentially create equal pay implications. The alternative was for a new grading structure to be designed to accommodate the new scale points. However, this would be more complex to achieve and was not recommended at the current time.

The report recommended the introduction of the new pay spine using option 2 (to consider awarding the increment first and then assimilate the employees to the new pay spine) and to introduce the new pay spine without the new scps. This option was £100k less than the budget provision and was set out in a table in the report.

It would be imperative that appraisals were completed by the due date of end of February 2019 as this was the mechanism for determining if an increment was due so that an employee could then be transferred to the new pay spine and would receive the 'cost of living' pay award.

Resolved - That the proposal to implement the new pay spine using Option 2 (to consider awarding an increment first and then assimilate employees to the new pay spine, and to introduce the new pay spine without the new spinal column points) with effect from 1 April 2019 be agreed.

9. SALARY SACRIFICE SCHEMES

The Head of HR and Organisational Development submitted a report that proposed the implementation of three new salary sacrifice schemes, for a workplace nursery, Additional Voluntary Contributions and lease cars, which would allow employees to save on tax and National Insurance. A revised copy of the Pay Policy Statement was attached to the report at Appendix 1.

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Workplace Nursery - The provider had estimated that 90% of Kennet Day Nursery users who were employees of the Council would use the salary sacrifice scheme. The management fee for the Council would be 2% of the annual childcare fee paid by all users of the nursery, the fee would be paid for two years, the cost of which would be taken from the Employer's National Insurance contributions savings which would be made by the Council. At the end of two years, the Council would retain all savings that had been made. As an indicative figure, this meant that the fee would be around £19k for two years and the saving to the Council would be around £130k for two years based on current usage, from which the management fee would be taken.

Additional Voluntary Contributions (AVCs) - Paying AVCs through salary sacrifice would allow employees to add more money to their pensions by not paying National Insurance contributions on the amount sacrificed and the savings of tax and National Insurance would be used to make additional contributions to an employee's individual pension pot. The provider expected an average take up rate of 5% of existing LGPS members. The management fee would be 4% per year for three years, the cost of which would be taken from the Employer's National Insurance savings made by the Council. At the end of the three years the Council would retain all the National Insurance savings. As an indicative figure this meant that the total management fee for three years would be around £45k, with the savings to the Council being around £189k for three years from which the management fee would be taken. The Council's Statement of Policy about Exercise of Discretionary Functions under the Local Government Pension Scheme would need to be amended to allow it to pay a contribution where an employee had elected to pay an AVC by salary sacrifice.

Lease Cars - Under this scheme the employer would lease the car from the provider and the employee would enter into a three year agreement to lease the car from the Council. The monthly cost would depend on the value of the car. Cars would be available for the employee without the need to provide a deposit and no credit check would be made. However, employees would be provided with a full breakdown of the monthly cost by the provider so that they could check affordability. In addition, salary could not be sacrificed to a level below the national minimum wage. The provider had estimated that around 2% of employees would use the scheme. The saving on National Insurance contributions would depend on the employee's choice of car, but an 'average' car could result in £688.29 National Insurance saving each year or £51,622 per annum, if 2% of employees used the scheme.

Resolved -

- (1) That the introduction of salary sacrifice schemes for a workplace nursery, Additional Voluntary Contributions (AVCs) and lease cars be agreed;**
- (2) That the amendment of the Council's Discretions Policy to allow the Council to pay shared cost Additional Voluntary Contributions where an employee has elected to pay AVCs by salary sacrifice be approved.**

10. REVIEW OF THE COUNCIL'S EMPLOYMENT POLICIES

The Head of HR and Organisational Development submitted a report that presented a review of the Council's employment policy framework which aimed to ensure that all

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employment policies were clear, easy to understand, up to date and reviewed regularly. The following appendices were attached to the report:

Appendix A	List of all existing employment policies;
Appendix B	Proposed Disciplinary Policy;
Appendix C	Proposed Grievance Policy;
Appendix D	Proposed Managing Sickness Absence Policy;
Appendix E	Proposed Managing Poor Performance Policy;
Appendix F	Proposed Bullying and Harassment Policy;
Appendix G	Proposed Flexible Working Policy;
Appendix H	Proposed Social Media Policy;
Appendix I	Equality Impact Assessment.

The report explained the all employment policies would be reviewed by HR before then end of March 2019 and submitted to the Committee for approval, following consultation and negotiation with the trade unions. The policies contained in the report had been prioritised because they did not reflect current employment legislation and hence had put the Council at risk. The policies had been re-written with four principles in mind and broadly reflected the template policies that were available on the Unison website, where available. In future all employment policies would be reviewed every two years or sooner if legislation required it.

For each of the existing policies which needed to be revised the issues that needed to be addressed, and additional key changes that were being proposed, were set out in a timetable that had been included in the report. In all cases, any issues that had been highlighted had been addressed in the revised policy. The process for agreeing the policies with trade unions was set out in the report, trade unions representatives had been unable to agree the policies with their members within the timetable. However, at a meeting in October 2018 individual views of the full-time trade union officials from Unite, Unison and NEU were discussed and the policies were amended to take account of their views. A communication plan was also being drawn up to communicate the revised policies, once agreed, to managers and employees.

Jackie Yates, Director of Resources, reported that once the new employment policies had been approved a communications plan would be implemented which would make use of the intranet and well as work with the trade unions to ensure all staff were aware that the policies had been changed. There would also be training for all managers so that they understood what was expected of them and, in respect of bullying and harassment, what was not acceptable behaviour.

The Committee discussed the report and agreed that the new employment policies should be approved subject to final consultation with the trade unions.

Resolved -

- (1) That the following employment revised/new policies be approved, subject to one final consultation meeting with the trade unions:**
 - (a) Discipline**
 - (b) Grievance (including collective grievance)**
 - (c) Managing sickness absence**

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- (d) Managing poor performance
- (e) Bullying and harassment
- (f) Flexible working
- (g) Social media

- (2) That the Head of HR and Organisational Development be granted delegated authority to make minor revisions to HR policies to ensure they are kept up to date, in consultation with the Lead Councillor for Corporate and Consumer Affairs, for example to reflect changes in job titles or departments names and to make changes relating to administration of systems once iTrent self-service has been rolled out (for example to incorporate online sickness reporting when this replaces the paper-based system referred to in the Sickness Absence Management Policy).

11. 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 item, as it was likely that there would be disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A (as amended) to that Act.

12. EARLY RETIREMENTS AND REDUNDANCIES

The Head of HR and Organisational Development, the Monitoring Officer and the Head of Finance submitted a joint report, which set out seven requests for dismissal on the grounds of redundancy and two requests for early retirement on the grounds of redundancy. The proposals, together with the financial implications, were set out in a schedule appended to the report.

Resolved -

- (1) That the dismissal of employment on the grounds of redundancy of employees A, C, D, E, F, G and H and the early retirement on the grounds of redundancy of employees B and I 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 paragraphs 4.1.1 and 4.1.2 of the report, and that authority to conclude the proposal be delegated to the Head of Finance, the Monitoring Officer and the Head of HR and Organisational Development (acting jointly) within that framework, and subject to the maximum ceiling identified for each individual proposal.

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(Exempt information as defined in Paragraph 1).

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

Present:

Councillors Brock (Chair), Lovelock, Maskell (in place of Councillor Page) and Stanford-Beale

A McNamara

National Education Union (NEU)

M Palfrey

UNISON

A Solera

UNISON

R Stirling

GMB

G Framalicco

Head of Planning, Development and Regulatory Services

S Smith

Head of HR and Organisational Development

R Woodford

Committee Services

Apologies:

Councillor Page

K Magee

Unite

1. PROCEEDINGS OF THE LOCAL JOINT FORUM MEETING HELD ON 15 MARCH 2018

The Proceedings of the Local Joint Forum meeting held on 15 March 2018 were confirmed as a correct record and signed by the Chair.

2. NEW NJC PAY SPINE - PROPOSAL FOR IMPLEMENTATION

The Head of HR and Organisational Development submitted a report that outlined the background to the new pay spine and made a recommendation for implementing the new pay spine at the Council. A copy of the new NJC pay spine was attached to the report at Appendix 1 and an Equality Impact Assessment was attached to the report at Appendix 2.

The report stated that the Council's current NJC pay spine had ten RG grades with RG1 having new spinal column point (scp) 11 as its highest point and RG2 had it at its lowest point. The Council used scp 11 as the lowest entry point for roles within the NJC spine. The introduction of an additional five scps to the new pay spine would have the effect of extending RG4 from its current position of eight scps to a total of 12. There was no requirement to use all of the scps in the new pay spine and the NJC agreement was silent on the approach to be taken by councils with regards to the chronology of assimilation and increments (whether to assimilate to the new pay spine first and then apply an increment or vice versa). The two approaches would produce different outcomes but either approach would be acceptable and whatever option was taken should be implemented consistently across all employees who were covered by the agreement.

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PROCEEDINGS OF THE LOCAL JOINT FORUM - 8 NOVEMBER 2018

employees 11 years to reach the top of the grade, rather than eight years as now, which could potentially create equal pay implications. The alternative was for a new grading structure to be designed to accommodate the new scale points. However, this would be more complex to achieve and was not recommended at the current time.

The report recommended the introduction of the new pay spine using option 2 (to consider awarding the increment first and then assimilate the employees to the new pay spine) and to introduce the new pay spine without the new scps. This option was £100k less than the budget provision and was set out in a table in the report.

It would be imperative that appraisals were completed by the due date of end of February 2019 as this was the mechanism for determining if an increment was due so that an employee could then be transferred to the new pay spine and would receive the 'cost of living' pay award.

AGREED - That the submission of the report to Personnel Committee, on 8 November 2018, for agreement, be noted.

3. SALARY SACRIFICE SCHEMES

The Head of HR and Organisational Development submitted a report that proposed the implementation of three new salary sacrifice schemes, for a workplace nursery, Additional Voluntary Contributions and lease cars, which would allow employees to save on tax and National Insurance. A revised copy of the Pay Policy Statement was attached to the report at Appendix 1.

Workplace Nursery - The provider had estimated that 90% of Kennet Day Nursery users who were employees of the Council would use the salary sacrifice scheme. The management fee for the Council would be 2% of the annual childcare fee paid by all users of the nursery, the fee would be paid for two years, the cost of which would be taken from the Employer's National Insurance contributions savings which would be made by the Council. At the end of two years, the Council would retain all savings that had been made. As an indicative figure, this meant that the fee would be around £19k for two years and the saving to the Council would be around £130k for two years based on current usage, from which the management fee would be taken.

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PROCEEDINGS OF THE LOCAL JOINT FORUM - 8 NOVEMBER 2018

to allow it to pay a contribution where an employee had elected to pay an AVC by salary sacrifice.

Lease Cars - Under this scheme the employer would lease the car from the provider and the employee would enter into a three year agreement to lease the car from the Council. The monthly cost would depend on the value of the car. Cars would be available for the employee without the need to provide a deposit and no credit check would be made. However, employees would be provided with a full breakdown of the monthly cost by the provider so that they could check affordability. In addition, salary could not be sacrificed to a level below the national minimum wage. The provider had estimated that around 2% of employees would use the scheme. The saving on National Insurance contributions would depend on the employee's choice of car, but an 'average' car could result in £688.29 National Insurance saving each year or £51,622 per annum, if 2% of employees used the scheme.

AGREED - That the submissions of the report to Personnel Committee, on 8 November 2018, for agreement, be noted.

4. REVIEW OF THE COUNCIL'S EMPLOYMENT POLICIES

The Head of HR and Organisational Development submitted a report that presented a review of the Council's employment policy framework which aimed to ensure that all employment policies were clear, easy to understand, up to date and reviewed regularly. The following appendices were attached to the report:

Appendix A	List of all existing employment policies;
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Appendix E	Proposed Managing Poor Performance Policy;
Appendix F	Proposed Bullying and Harassment Policy;
Appendix G	Proposed Flexible Working Policy;
Appendix H	Proposed Social Media Policy;
Appendix I	Equality Impact Assessment.

The report explained the all employment policies would be reviewed by HR before then end of March 2019 and submitted to the Committee for approval, following consultation and negotiation with the trade unions. The policies contained in the report had been prioritised because they did not reflect current employment legislation and hence had put the Council at risk. The policies had been re-written with four principles in mind and broadly reflected the template policies that were available on the Unison website, where available. In future all employment policies would be reviewed every two years or sooner if legislation required it.

For each of the existing policies which needed to be revised the issues that needed to be addressed, and additional key changes that were being proposed, were set out in a timetable that had been included in the report. In all cases, any issues that had been highlighted had been addressed in the revised policy. The process for agreeing the policies with trade unions was set out in the report, with the policies having been sent by email to the trade union representatives, with a covering report

PROCEEDINGS OF THE LOCAL JOINT FORUM - 8 NOVEMBER 2018

explaining the key changes and timescales for reaching agreement, in August 2018. However, trade unions representatives had been unable to agree the policies with their members within the timetable and at a meeting in October 2018 individual views of the full-time trade union officials from Unite, Unison and NEU were discussed and the policies were amended to take account of their views. A communication plan was also being drawn up to communicate the revised policies, once agreed, to managers and employees.

S Smith reported that there would be training for all managers on the new employment policies once they had been approved, following final consultation with the trade unions.

AGREED - That the submission of the report to Personnel Committee, on 8 November 2018, for approval, subject to one final consultation meeting with the trade unions, be noted.

6. MATTERS RAISED BY THE UNIONS

(a) Bennet Road Refurbishment

G Framalitto, Head of Planning, Development and Regulatory Services, reported that phase 2C of the work at Bennet Road had been completed, following extensive work to the buildings to make more efficient use of them at a cost of £5m. The aim was to optimise the site at 19 Bennet Road and to eventually dispose of the site at Darwin Close. The buildings were very old and had lots of issues, their energy efficiency was limited, there was no 'do nothing' option, and costs for the buildings were in the region of £1.5m. There would be long term benefits from improving the building, such as savings resulting from the improved energy efficiency, and there would be a significant capital receipt from the disposal of the Darwin Close site.

The renovated space at Bennet Road would be similar to that at the Civic offices in that there would Wi-Fi and touch-down spaces and hot-desking would be in place. There would also be substantial changes in the way staff at this site worked with more use of hand-held devices so that there would be no need for them to be in the offices.

Future opportunities included the Council using the land owned at 16 to 19 Bennet Road, which was currently leased to a car company.

With regard to space for vehicles at the site, and particularly commercial vehicles, the Council's needs would continue to be reviewed to make sure there was adequate space.

AGREED: That the position be noted.

(The meeting opened at 5.00pm and closed at 5.49pm).

READING BOROUGH COUNCIL

REPORT BY HEAD OF HR AND ORGANISATIONAL DEVELOPMENT

TO:	PERSONNEL COMMITTEE		
DATE:	14 MARCH 2019		
TITLE:	GENDER PAY GAP REPORT 2018		
LEAD COUNCILLOR:	CLLR JASON BROCK	PORTFOLIO:	CORPORATE AND CONSUMER SERVICES
LEAD OFFICER:	SHELLA SMITH	TEL:	0118 937 4697
JOB TITLE:	HEAD OF HR AND ORGANISATIONAL DEVELOPMENT	E-MAIL:	sheila.smith@reading.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The gender pay gap is calculated as the difference between average hourly earnings (excluding overtime) of men and women as a proportion of average hourly earnings (excluding overtime) of men's earnings. For example, a 4.0% gender pay gap denotes that women earn 4.0% less per hour, on average, than men. Conversely, a negative 4.0% gender pay gap denotes that women earn 4.0% more, on average, than men.
- 1.2 Nationally, the gender pay gap fell in 2018 for the whole economy to 17.9%, down from 18.4% in 2017 (according to the 2018 Office for National Statistics (ONS) Annual Survey of Hours and Earnings figures). For full-time employees only it is 8.6%. The higher gap among all employees is driven by more women working in part-time jobs, which are lower paid (the average hourly rate is £9.36 compared with £14.31, excluding overtime, for full-time jobs).
- 1.3 An employer must comply with the gender pay gap regulations for any year where they have a 'headcount' of 250 or more employees on the 'snapshot date'. For local authorities the snapshot date is 31 March each year. There are six calculations to carry out, and the results must be published on the employer's website and the Government Equalities Office website within 12 months.
- 1.4 The Council's Gender Pay Gap report is attached at Appendix 1. It is based on data at the snapshot date of 31 March 2018.
- 1.5 The Council is in a good position. The vast majority of organisations have a much larger gender pay gap, with a mean for the whole economy of 17.9% for 2018. The Council's gender pay gap compares very favourably, with a mean of 2.99%

and a median of 4.99%. This reflects the Council's aspiration to be a fair and inclusive employer, making best use of its talent regardless of gender.

1.6 Appendices:

Appendix 1: Reading Borough Council Gender Pay Gap Report 2018

2. RECOMMENDED ACTION

2.1 That Personnel Committee notes the Council's Gender Pay Gap report in Appendix 1.

3. POLICY CONTEXT

3.1 The gender pay gap is calculated as the difference between average hourly earnings (excluding overtime) of men and women as a proportion of average hourly earnings (excluding overtime) of men's earnings. For example, a 4.0% gender pay gap denotes that women earn 4.0% less per hour, on average, than men. Conversely, a negative 4.0% gender pay gap denotes that women earn 4.0% more, on average, than men.

3.2 Nationally, the gender pay gap fell from in 2018 for the whole economy to 17.9%, down from 18.4% in 2017 (according to the 2018 Office for National Statistics (ONS) Annual Survey of Hours and Earnings figures). For full-time employees only it is 8.6%. The higher gap among all employees is driven by more women working in part-time jobs, which are lower paid (an average hourly rate is £9.36 compared with £14.31, excluding overtime, for full-time jobs).

3.3 An employer must comply with the regulations for any year where they have a 'headcount' of 250 or more employees on the 'snapshot date'. For local authorities the snapshot date is 31 March each year.

3.4 Organisations must publish the following information:

- Their mean gender pay gap
- Their median gender pay gap
- Their mean bonus gender pay gap
- Their median bonus gender pay gap
- Their proportion of males and females receiving a bonus payment
- Their proportion of males and females in each quartile pay band

3.5 The information must be published on both the employer's website and on the Government Equalities Office website. An employer should then use that information to help understand any underlying causes for their gender pay gap and take suitable steps to minimise it. Benefits will differ between employers but can include developing a reputation for being a fair and progressive employer, attracting a wider pool of potential recruits for vacancies and the enhanced

productivity that can come from a workforce that feels valued and engaged in a culture committed to tackling inequality.

4. THE COUNCIL'S GENDER PAY GAP

- 4.1 Appendix 1 shows the Council's gender pay gap information for 2018. It is based on data at the snapshot date of 31 March 2018. It is intended to present the data in a clear and easy to understand way for a range of audiences (such as existing and potential employees, councillors and members of the public).
- 4.2 The averages used are mean and median. A mean average is calculated by totalling all the values in a dataset; this total is then divided by the number of values that make up the dataset. The median of a group of numbers is the number in the middle, when the numbers are in order of magnitude.
- 4.3 The Council is in a good position. The vast majority of organisations have a much larger gender pay gap, with a mean for the whole economy of 17.9% for 2018. The Council's gender pay gap compares very favourably, with a mean of 2.99% and a median of 4.99%. This reflects the Council's aspiration to be a fair and inclusive employer, making best use of its talent regardless of gender.

5. COMMUNICATION AND CONSULTATION

- 5.1 The following steps will be taken to publish the Council's gender pay gap information:
- Published on the Council's website
 - Published on the Government Equalities Office website
 - An item will be included in the Chief Executive's Friday email to highlight the gender pay gap information in a proactive way to staff
 - The report will be presented to Personnel Committee on 14 March 2019 for members to note
 - A press statement will be issued to seek to bring the report to the attention of local media, residents and businesses.

6. CONTRIBUTION TO STRATEGIC AIMS

- 6.1 This report contributes to the strategic aim of ensuring Council is fit for the future.

7. LEGAL IMPLICATIONS

- 7.1 There are no significant legal implications arising from this report.

8. EQUALITY IMPACT ASSESSMENT

8.1 Publication of this report complies with the Council's duty under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

9. FINANCIAL IMPLICATIONS

9.1 There are no financial implications arising from this report.

APPENDIX 1

READING BOROUGH COUNCIL'S GENDER PAY GAP REPORT 2018

(Attached separately)

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READING BOROUGH COUNCIL
GENDER PAY GAP REPORT FOR 2018

1 PURPOSE OF THE REPORT

- 1.1 From April 2017, under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, employers with 250 or more employees are required to publish statutory gender pay gap calculations every year.
- 1.2 To make the calculations, data must be gathered from the Council's payroll from a specific date each year. This specific date is called the 'snapshot date', which is 31 March for public sector organisations.
- 1.3 The calculations must be published on the Council's website and the Government Equalities Office website by 30 March 2019. This report sets out the figures that will need to be published and an analysis of the information.

2 INTRODUCTION AND BACKGROUND

- 2.1 The information that is required for publication is:

Mean gender pay gap	The difference between the mean hourly rate of pay of male full-pay relevant employees (FPREs) and that of female full-pay relevant employees.
Median gender pay gap	The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
Mean bonus gap	The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.
Median gender pay gap	The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees.
Bonus proportions	The proportions of male and female relevant employees who were paid bonus pay during the relevant period.
Quartile pay bands	The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.

- 2.2 For the purpose of this report, the workforce profile as at the ‘snapshot date’ date of 31 March 2018 was 2436 full-pay relevant employees (FPREs), which is made up by 1605 (65.9%) women and 831 (34.1%) men.
- 2.3 In accordance with [Government’s guidance](#), data for school staff is not included in this report.
- 2.4 The figures in this report have been calculated in accordance with the Government’s guidance by the Data Team in Payroll. The highlighted figures in each table are those that will require publication.

Table 1 - Mean and median gender pay gap

	Men	Women	Women’s earnings are:
Mean Hourly Rate	£15.07	£14.62	2.9% lower
Median Hourly Rate	£13.62	£12.94	4.9% lower

Table 2 - Mean and median gender pay gap in bonus payments

	Men	Women	Women’s bonuses are:
Mean amount of bonus	£619.92	£908.88	46.6% higher
Median amount of bonus	£573.00	£1,000.00	74.5% higher

Table 3 - Proportion of men and women who received a bonus

	Men		Women	
FPREs Total	831		1605	
Proportion of all those receiving a bonus	12	1.4%	18	1.1%

3 ANALYSIS

- 3.1 Table 1 shows that the Council’s mean (2.99%) and median (4.99%) gender pay gap compares favourably with the national average gender pay gap figure of 17.9% for 2018 (which is down from 18.4% in 2017).
- 3.2 Tables 2 and 3 reflect a small group of employees who received their “bonuses” in the relevant period. The Council does not have provision for the payment of bonuses within its own terms and conditions. However, long

service awards in the form of money meet the government's definition of "bonus" for this report.

- 3.3 Long service awards at the Council are in recognition of achieving 20 years' continuous service. The Council is currently running two long service award schemes with varying cash values:
 - 3.3.1 A one-off money award of £1,000 for those achieving long service with either the Council or a combination of the Council and Berkshire County Council, with the provision for employees to "trade in" all or part of the award for additional days' leave, currently at the rate of £100 per day; or;
 - 3.3.2 £573 plus double leave for achieving 20 years' service for employees appointed by the Council before 1 April 1999, i.e. only continuous service with the Council will count.
- 3.4 11 of the 12 (91.7%) men received the lower cash value compared to 4 of 18 women (22.2%). This has, as a result, translated into a large pay gap in favour of women, as shown in Table 2.
- 3.5 It should be noted that the award with the provision of double leave ceased on 31 March 2018. Employees will still be able to "trade in" for additional days' leave resulting in varying cash values being given. However, if there was a small take-up of the "trade in" option, the pay gap in "bonuses" should be reduced significantly in the near future.
- 3.6 Based on how the gender pay gap is calculated, although the gap is small, it still exists within the Council as its workforce is predominantly women (65.9%). There are more women than men at every pay quartile, yet over half of women are in the lower and lower middle pay quartiles (see **Figures 1 and 2** below).
- 3.7 **Figure 3** illustrates the breakdown of men and women more clearly in each pay band. Pay band RG3 has the greatest proportion of women (74.42%), which is significantly higher than the overall proportion of women employed at the Council (65.9%). Job roles that fall into this pay band are primarily library workers and care assistants. 60% of the women in this pay band are part-time.
- 3.8 The Chattered Institute of Personnel and Development (CIPD)¹ finds that there are a number of barriers that could hinder women achieving senior

¹ CIPD, *Why are there so few women at the top*, 2016, https://www.cipd.co.uk/Images/why-are-there-so-many-women-at-the-top_2016-april_tcm18-14006.pdf

positions, e.g. caring responsibilities, full time working being the existing norm for senior roles, career break etc.

3.9 Despite the CIPD’s findings, the Council has a good balance of men and women at senior management level - **43.25% are women paid on Reading Senior Manager (RSM) grades, i.e. earnings are above £52,246 per annum.**

Figure 1 - Proportion of men and women in each pay quartile

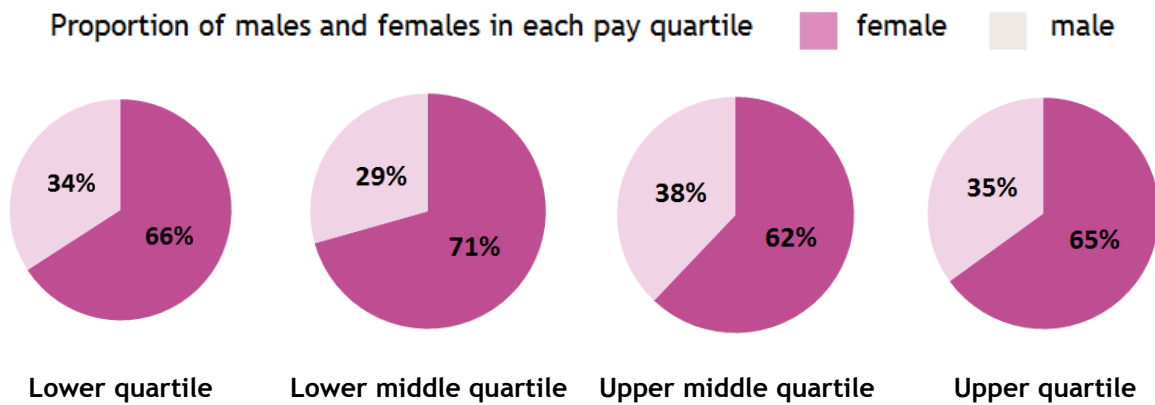


Figure 2 - Number of men and women in each pay quartile

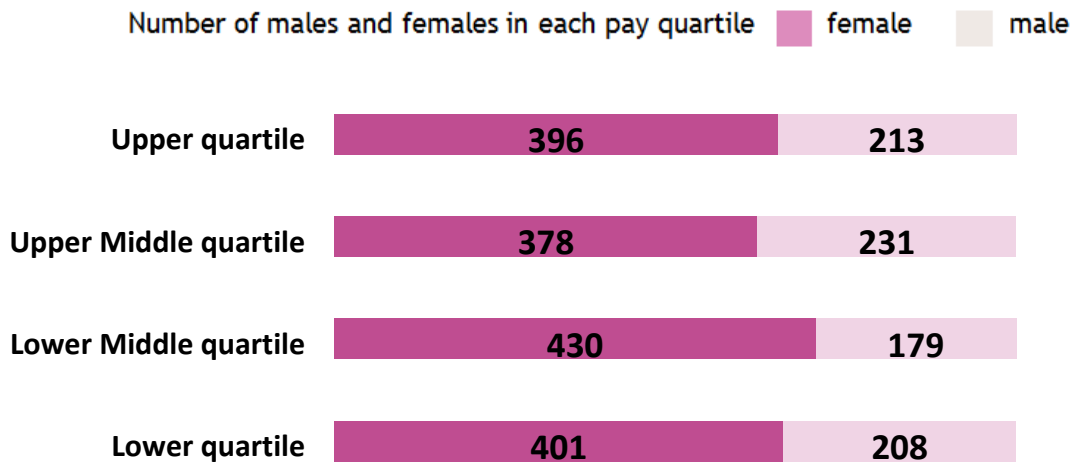
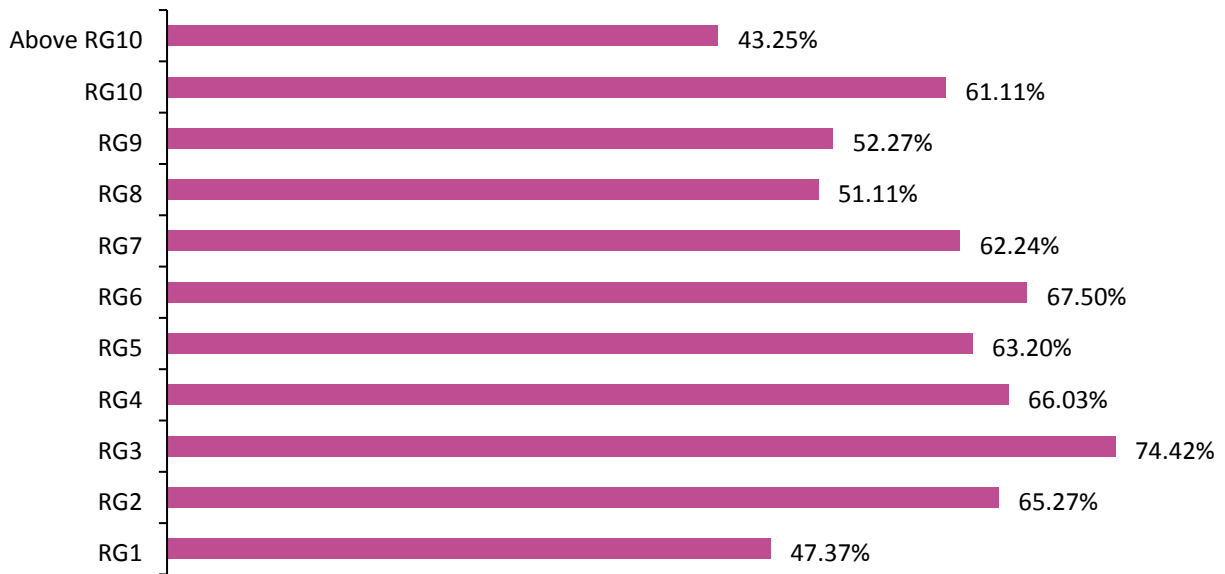


Figure 3 - Proportion of women in each pay band as at 31 March 2018



4 CONCLUSIONS

4.1 The **small gender pay gap** at the Council, which is much lower than the national average, is the result of the long term effort that the Council has invested to ensure fair pay for all staff, including:

- Implemented a new, consistent pay structure in May 2011 as a result of a pay review exercise starting in 2009.
- Having a clear policy of paying employees equally for the same or equivalent work, regardless of gender.
- Having an objective job evaluation scheme (GAUGE) to ensure pay fairness.
- Formal authorisation process for any changes in pay, including accelerated increments, market supplements and pay at starting appointments.
- Extended the right to request flexible working to all staff in 2010, 4 years before the Government changed the law.
- Promoting and supporting a number of flexible working policies for all employees within the Council, irrespective of gender, including job share, part time working and term time working. In some areas there is also flexibility to work from different locations.

- Enhanced Shared Parental Pay to mirror contractual Maternity Pay.
- Became an accredited “Living Wage Employer” in 2014 paying the Living Wage set by the Living Wage Foundation as a minimum to all employees at the lower level of the pay structure;
- Exit interviews and leaver surveys to gain feedback on employment experiences.

5 ACTION PLAN/RECOMMENDATIONS

- 5.1 Promote the benefits of flexible working practices to employees and managers. In addition the Council will monitor the take-up of flexible working arrangements by gender and level within the organisation.
- 5.2 Promote the benefits of working for the Council both internally and externally, such as apprenticeship opportunities, flexible working arrangements, diversity commitments etc.
- 5.3 Continue monitoring through the annual Equality Audit.
- 5.4 With second year data now available for gender pay gap reporting, emerging trends in each data category will be analysed to help inform future policy development.
- 5.5 Refine training and guidance for managers to raise awareness off unconscious bias during recruitment and interview processes.
- 5.6 Increase awareness around apprenticeship schemes to encourage more employees to improve their skills and experience giving them the opportunity to progress their career.

READING BOROUGH COUNCIL

REPORT BY HEAD OF HR AND ORGANISATIONAL DEVELOPMENT

TO:	PERSONNEL COMMITTEE		
DATE:	14 MARCH 2019		
TITLE:	PAY POLICY STATEMENT 2019/20		
LEAD COUNCILLOR:	CLLR JASON BROCK	PORTFOLIO:	CORPORATE AND CONSUMER SERVICES
LEAD OFFICER:	SHELLA SMITH	TEL:	0118 937 4697
JOB TITLE:	HEAD OF HR AND ORGANISATIONAL DEVELOPMENT	E-MAIL:	Sheila.smith@reading.gov.uk

1. PURPOSE OF REPORT

1.1 To provide Personnel Committee with a Pay Policy Statement for 2019/20, for approval by full Council on 26 March 2019.

1.2 Appendices

Appendix 1: Pay Policy Statement 2019/20

2. RECOMMENDED ACTION

2.1 That Personnel Committee recommends the Pay Policy Statement for 2019/20, attached as Appendix 1, to the Council.

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 its lowest paid employees.

3.2 The Pay Policy Statement for 2019/20 is attached as Appendix 1. It has been updated as follows:

- Updated throughout to reflect changes in job titles (e.g. Heads of Service are now referred to as Assistant Directors).
- Addition of a requirement for the Assistant Director of HR and Organisational Development to approve all acting up and honoraria

- payments, in addition to the Assistant Director for the service area, to ensure proper application of the Council's policy (paragraph 14.6).
- Addition of the new salary sacrifice schemes offered to all employees (paragraph 15.2). The bus to work salary sacrifice scheme has been removed as it is no longer in operation following changes in tax legislation.
 - New pay scales at Annex F, which reflect the relevant national agreements.
- 3.3 The Pay Policy Statement was amended for 2016/17 to meet the increasing need for greater flexibility in pay arrangements, whilst still retaining structure, control and fairness to the Council's pay arrangements.
- 3.4 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 Localism 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.
- 3.5 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 (as amended).
- 3.6 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.
- 3.7 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.
- 3.8 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.
- 3.9 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.

- 3.10 The Act requires that authorities include in their Pay Policy Statements their 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.
- 3.11 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.
- 3.12 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.
- 3.13 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.
- 3.14 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.

4. NEXT STEPS

- 4.1 The revised Pay Policy Statement in Appendix 1 will be submitted to full Council for approval on 26 March 2019.

5. LEGAL IMPLICATIONS

- 5.1 There are no significant legal issues arising from this report.

6. FINANCIAL IMPLICATIONS

- 6.1. There are no financial implications arising from this report as the Pay Policy Statement is based upon existing policies and procedures.

7. EQUALITIES IMPLICATIONS

7.1 There are no significant equalities issues arising from this report.

8. CONSULTATION AND COMMUNICATION

8.1 As the Pay Policy Statement is largely a matter of fact in terms of how the Council currently determines the pay and conditions of its staff, consultation with staff is not required. However, the statement will be presented to the Council's Local Joint Forum for information.

READING BOROUGH COUNCIL PAY POLICY STATEMENT 2019/20

1. INTRODUCTION

- 1.1. Reading Borough Council's pay policy aims to ensure value for money whilst enabling the Council to deliver high quality services to the residents of Reading. The Council seeks to set pay rates that are adequate to secure and retain high quality employees dedicated to the service of the public, but will determine overall pay and benefits at an appropriate level in accordance with equality, affordability and other relevant factors.
- 1.2. Pay levels will not be unnecessarily generous or otherwise excessive.
- 1.3. Reading Borough Council agrees that local authorities should be able to determine their own pay structures in order to address local priorities and to compete in the local labour market.
- 1.4. Reading Borough Council is committed to equality, transparency and fairness across all of its activities and particularly in relation to the pay and conditions of its staff.
- 1.5. This document has the following Annexes:
 - Annex A: Requirements and Recommendations to Publish Personal data concerning Staff
 - Annex B: Governance Arrangements for Pay and Conditions of Service
 - Annex C: Summary of Conditions of Service
 - Annex D: Council Employees in Salary Bands as at 1 April 2018
 - Annex E: Pension Discretions Statement
 - Annex F: Pay scales for staff employed on NJC (Green Book) conditions and Senior Managers (JNC).
- 1.6. The following related documents related to pay and remuneration can be accessed through the Council's website:
 - Details and responsibilities of all job roles paid above £50,000
 - Market Supplement Policy
 - Council Senior level organisational chart

2. LEGISLATION

- 2.1. The authority appoints its staff, and determines the terms and conditions of service on which they hold office, under Section 112 of the Local Government Act 1978. This includes procedures for dismissal. Full Council has delegated this power to the Personnel Committee, with the exception of the Head of Paid Service, Section 151 Officer and Monitoring Officer for whom separate statutory procedures apply.
- 2.2. Sections 38 - 43 of the Localism Act 2011 require that the authority produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued in February 2012 and February 2013 by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act.
- 2.3. This policy also has some connection with the data on pay and rewards for staff which the authority publishes under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations (2011). A revised draft Code was published in December 2013. It

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

- 2.4. Any decision under powers delegated in the Council's Constitution / Scheme of Delegation with regard to remuneration to be taken during 2019/20 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 Assistant Director of Legal & Democratic Services must be consulted prior to any decision impacting on remuneration where there is any question regarding compliance with the Statement.

3. SCOPE OF THIS STATEMENT AND DEFINITION OF TERMS

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

4. GOVERNANCE ARRANGEMENTS AND DECISION MAKING

- 4.1. Full Council has delegated to the Personnel Committee the power to appoint and determine the terms and conditions of employment for all staff, including the application of any discretions under the pension schemes. The terms of reference of the Personnel Committee are set out in Article 8 of Part 2 of the Council's constitution.
- 4.2. Full Council, and the Personnel Committee, have extensive and long-standing arrangements to delegate the exercise of this power to Executive Directors and Deputy/Assistant Directors, 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 Executive Directors and Deputy/Assistant Directors to manage, review and apply the Council's Human Resources policies, and to determine the appropriate pay and conditions for the appointment of staff within these policies.

5. CONDITIONS OF SERVICE

- 5.1. Reading Borough Council applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions, these are then incorporated into contracts of employment.
- 5.2. The Council is a member of the local government employers association for national collective bargaining in respect of chief executives, chief officers and other employees. There are separate negotiations and agreements in respect of each of these groups. Changes from national negotiations generally take effect from 1 April each year and are retrospective to 1 April where agreements are made later than 1 April. It is the authority's long-standing policy to implement national agreements. The head of paid service and chief officers are under the JNC conditions of service, with locally determined pay. All other employees are under the relevant national agreement on pay and conditions of service applying to the particular service area, with local variations to pay. Pay for staff on NJC conditions was last increased nationally ('cost of living' increase) in April 2019. The last time that pay for staff on JNC conditions was varied as the result of a national pay award was in April 2019. The Council will apply any settlement reached nationally in respect of staff covered by national bargaining machinery where this is the locally agreed mechanism for determining cost of living increases.
- 5.3. A summary of the arrangements for determining terms and conditions of service for staff is set out in **Annex C**:

6. POLICY ON REMUNERATING SENIOR MANAGERS

- 6.1. **Head of Paid Service:** The Head of Paid Service (Chief Executive) 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. **Executive Directors and Deputy/Assistant Directors:** Executive Directors and Deputy/Assistant Directors, including the Managing Director for Homes for Reading, 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.

7. POLICY ON REMUNERATING THE LOWEST PAID IN THE WORKFORCE

- 7.1. This policy statement reconfirms the Council's long-standing Low Pay Policy. The new (1/4/19) grading structure allows for all staff, except apprentices, to be paid an hourly rate no lower than the Living Wage (£9.00 per hour).
- 7.2. The Council previously paid a Living Wage supplement to increase the hourly rate of employees to the Living Wage, where necessary. The salary scales effective from 1st April 2019 remove the requirement for such a supplement and the Living Wage is therefore reflected in all staff's substantive rate.

- 7.3. Apprentices are paid the nationally recommended allowance rate of £136.90 for the first 12 months of employment and thereafter are paid the National Minimum Wage (NMW) as applicable to the employee's age. These rates are updated as the national allowances are revised.
- 7.4. Reading Borough Council is also committed to the development and publication of a local policy to promote and require, to the extent permitted by law, the application of the Council's low pay policy to staff working for the Council's contractors in addition to the application of TUPE. The Council became an accredited Living Wage Employer in 2015.

8. PAY MULTIPLES

- 8.1. The highest paid salary in this authority is up to £159,200 which is the top of the annual salary range paid to the Head of Paid Service. The current ratio between the lowest paid employee (scp 11, £17,007 per annum as at 1/4/18) and the highest paid employee is 1:9.36. The Council will work to maintain a ratio of no more than 1:10 between the lowest paid and the highest paid. This ratio is 1:9.17 with effect from 1st April 2019.
- 8.2. This authority does not have a policy on maintaining or reaching a specific highest / **median** 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this policy statement. The authority's approach to the payment of other staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay. The median salary paid by the Council is £26,470. Pay multiple therefore between the highest and median salary is 1: 6.01.
- 8.3. Pay multiples will be monitored each year within the Pay Policy Statement, and will be benchmarked against comparable authorities as others' pay policy statements are published.
- 8.4. In terms of overall remuneration packages the Council's policy is to differentiate by setting different levels of basic pay to reflect differences in responsibilities (job evaluation) but not to differentiate on other allowances, benefits and payments it makes.

9. PAY AND GRADING STRUCTURE

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

10. PAY PROFILE

- 10.1. **Annex D** shows employees at 1 April 2018 by salary band and then by gender, ethnic origin and disability. Salary bands are based on the 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, apart from Apprentices as shown in RG1, has over 50% women, with the proportion reaching 70.97% in RG3.
- 10.4. The overall number of employees who have declared a disability across salary bands ranges between 2.25% and 6.67%. The proportion of people with a disability is relatively even across most of the bands apart from the highest bands.

11. PAY PROGRESSION

- 11.1. Under the Council's Performance Related Progression Scheme the award of an annual increment is dependent upon an employee's achievement of performance targets and competency objectives. The scheme also links incremental progression with whether performance is improving or declining. No increment can be awarded if an employee is subject to formal disciplinary or capability (poor performance) procedures.
- 11.2. The following principles apply to pay progression for all RBC staff with effect from 1st April 2012:
 - '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. Accelerated incremental progression within the evaluated grade is only possible where there is objective evidence of outstanding performance or there is evidence that demonstrates inequality of pay level with comparable peers. Any such increase must be approved by the Executive Director and reasons provided to HR.
- 11.4. In addition to 11.3, accelerated increments would be paid for 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 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 Executive Director. Copies of the evidence to support such a decision need to be placed on the employee's personal file held by HR.
- 11.6. Any career grade progression is conditional upon budget provision being available.
- 11.7. Employees successfully moving posts within the Council will be subject to the principle of annual incremental progression assessment. They will no longer receive an automatic increment 6 months after being in their new post.

12. LOCAL PAY ARRANGEMENTS

- 12.1. **Child Care Solicitors** - This section, based in RBC's Legal Service, provides a service to other 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, except where there are significant recruitment difficulties that jeopardise service delivery, as identified and approved by CMT.
- 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. There may be circumstances (e.g. offers from other employers, market forces) where it is necessary to make an offer that is at a higher point within the grade. The authority to make an offer higher than the starting point lies with the Deputy/Assistant Director, who must also consider the equality of such an exception and must inform the Assistant Director of HR and Organisational Development of the reason for the exception. This policy applies to all staff.
- 13.3. 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.

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) and are enrolled automatically unless they wish to opt out. The scheme is a statutory scheme with contributions from employees and from employers. The current employer contribution rate for Reading Borough Council is 16.7%. 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 Managing Director, 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 Assistant Director 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 Assistant Director of HR and Organisational Development and the relevant Executive Director.
- 14.6. **Honorarium and other temporary additional payments:**

Under the Council's scheme of delegation to officers, Executive Directors and Deputy/Assistant Directors are authorised to approve additional payments in the circumstances described below:

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

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

The level of payment made should be determined with regard to the level of responsibilities being undertaken and this should be determined with regard to the Council's Job Evaluation Scheme. All such payments must be approved by the Assistant Director of HR and Organisational Development to ensure proper application of the Council's policy.

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, Kennet Day Nursery, Added Voluntary Contributions (AVCs), bicycle purchase, and lease cars (from 2019). There are also non-subsidised employee discount schemes.

15.3. **Flexible Working:** All employees can access flexible working arrangements subject always to the needs of the service.

15.4. **Car Allowances / Expenses:** The Council will meet or reimburse authorised travel, subsistence and (exceptionally) accommodation costs for attendance at necessary and approved meetings and training events. The Council does not regard such costs as remuneration but as non-pay operational costs. This policy is applied consistently to the Head of Paid Service, chief officers and other employees. The locally determined car allowance reimbursement rate for necessary and approved work-related travel is 45p per mile for all authorised car users. No other car allowance (e.g. monthly lump sum) is payable to any employee.

16. TERMINATION OF EMPLOYMENT

16.1. Under the Council's Officer Employment Procedure Rules, the decision to effect dismissal or retirement on the grounds of redundancy or efficiency of the service is a

decision of Personnel Committee for posts at Deputy/Assistant Director and above. The decision is delegated to the relevant Executive 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 Executive Director of Resources (S151 Officer), Monitoring Officer and the Assistant Director of HR and Organisational Development. This panel is established to monitor applications on the basis of consistency, legality and financial prudence. In terms of financial prudence, each case must demonstrate a 'payback period' within one year, or, exceptionally, two years in 'efficiency of the service' cases if sufficient service and efficiency benefits to the Council can be demonstrated. This Panel also assesses associated questions e.g. exercise of exceptional discretion; reasonableness of alternative employment in redundancy cases etc.
- 16.4. In the event that the compensation to be paid exceeds £100,000 in total, then full Council will be offered an opportunity to vote on the matter prior to approval.
- 16.5. **Discretionary Enhancement of Redundancy Payments:** The policy for the award of any discretionary payments is the same for all staff regardless of their pay level. Redundancy payments under regulation 5 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England & Wales) Regulations 2006 provide discretion to pay up to an overall lump sum of 2 times the statutory redundancy payment formula based on actual weeks pay, capped at 52 weeks' pay (may be adjusted following consultation). This is payable to employees made redundant with 2 or more years continuous service regardless of their age. Discretionary compensation can be reduced in cases where an offer of suitable alternative employment is deemed to have been unreasonably refused.
- 16.6. **Settlement Agreements:** In exceptional circumstances, and specifically so as to settle a claim or potential dispute the Assistant Director of Legal and Democratic Services can agree payment of a termination settlement sum (subject to a decision of Personnel Committee if outside the normal framework for termination payments as set out in this section).
- 16.7. **Policy on Re-Employment:** The policy for re-employment following redundancy / efficiency termination is the same for all staff regardless of their pay level. Employees in receipt of compensation payment for loss of employment which has had discretionary enhancements applied to it are not permitted to take up employment with Reading Borough Council within 12 months of the ending of their current employment.
- 16.8. **Flexible Retirement:** In accordance with Superannuation Regulations, rather than continuing in their current job to age 65 employees can, on or after age 55 and with Council consent, reduce their hours of work or the grade in which they are employed and draw (some or all of) their accrued pension benefits whilst continuing in employment and building up further benefits in the Scheme - enabling them to ease into retirement. Employees must be 55 or over and have 3 or more months' membership in the LGPS (including transferred rights) in order to be eligible to make a flexible retirement request following a reduction in hours or grade. Pension benefits will normally be reduced if paid before age 65. This policy is open to all employees, subject to financial requirements being met (net savings to the Council and a pay back period of no more than 2 years).

17. PENSION DISCRETIONS

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

18. PAY PROTECTION

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

19. PUBLICATION OF INFORMATION ON THE REMUNERATION OF STAFF

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

20. AMENDMENTS TO THE POLICY

20.1. As the policy covers the period April 2019 to the end of March 2020, 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, 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 £50,000
- 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

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 Executive Directors and Deputy/Assistant Directors
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 - 27 May 2015: Article 4, 4.2 Functions of the full Council:

Only the Council will exercise the following functions:

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

1.3. Constitution of Reading Borough Council : Article 12 - Officers:

12.1 Management structure

[...]

(b) Chief Officers

The full Council will confirm the appointment of the Managing Director (Head of Paid Service) and the Personnel (Appointments) Committee will make appointments to the following posts (or such other similar posts as it may decide from time to time), who will be designated chief officers:

- Executive Director of Social Care and Health
- Director of Children, Education and Early Help Services
- Executive Director of Economic Growth and Neighbourhoods
- Executive Director of Resources

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

The Council has designated the following posts as shown:

- Chief Executive- Head of Paid Service
- Executive Director of Resources - Chief Finance Officer and Section 151 Officer
- Assistant Director of Legal and Democratic Services - Monitoring Officer

The Local Authorities (Standing Orders)(England)(Amendment) Regulations 2015 prescribe that the dismissal of the Head of Paid Service, Monitoring Officer and the Chief Finance Officer must be confirmed by the full Council.

The Council has designated the following Deputy post as shown:

▫ Assistant Director of Finance - Deputy Chief Finance Officer and Deputy Section 151 Officer

Such posts will have the functions described in Article 12.2-12.4 below.

12.2 Functions of the Head of Paid Service

(a) Discharge of functions by the Council

The Head of Paid Service will report to full Council or the Policy Committee on the manner in which the discharge of the Council's functions is co-ordinated, the number and grade of officers required for the discharge of functions and the organisation of officers.

(b) Restrictions on functions

The Head of Paid Service may not be the Monitoring Officer or the Section 151 Officer.

[...]

12.7 Employment

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

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

“6. PERSONNEL COMMITTEE

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

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

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

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

[...]

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

[...]

1.5. The **Officer Employment Procedure Rules** are in Part 4 of the Constitution.

PAY POLICY STATEMENT - ANNEX C

SUMMARY OF CONDITIONS OF SERVICE

Chief Executive

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.

Executive Directors

The terms and conditions for the Executive Directors 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.

Deputy/Assistant Directors (third tier - i.e. reporting directly to the Head of Paid Service or an Executive Director)

The terms and conditions for Deputy/Assistant Directors are as set out by the Joint Negotiating Committee (JNC) for Chief Officers, and as amended locally. Pay is determined locally.

NJC Staff

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

Craft Employees

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

Teachers

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

Soulbury Staff

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

Youth Workers

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

Coroners

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

PAY POLICY STATEMENT - ANNEX D

Council Employees in Salary Bands as at 01.04.18

Grade Bandings		Total Staff	Women		BME			Disability		
			No	%	No	ND	%	No	ND	%
RG1	Up to 17,007	17	7	41.18%	5	0	29.41%	1	2	6.67%
RG2	17,972	194	137	70.62%	62	23	36.26%	5	42	3.29%
RG3	20,541	310	220	70.97%	61	21	21.11%	11	32	3.96%
RG4	25,463	536	355	66.23%	93	15	17.85%	20	36	4.00%
RG5	30,756	383	247	64.49%	88	9	23.53%	19	24	5.29%
RG6	35,229	265	160	60.38%	57	14	22.71%	7	21	2.87%
RG7	40,858	181	124	68.51%	33	4	18.64%	6	11	3.53%
RG8	46,608	116	68	58.62%	18	8	16.67%	5	10	4.72%
RG9	52,362	71	46	64.79%	16	5	24.24%	2	7	3.13%
RG10	56,270	33	22	66.67%	1	3	3.33%	1	4	3.45%
Above 56,271		47	27	57.45%	3	2	6.67%	1	8	2.56%
		2153	1413	65.63%	437	104	21.33%	78	197	3.99%

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- 1 - Based on 2018 pay bands and earnings
- 2 - As a proportion of employees who have made a positive declaration
- 3 - Excludes schools

* All are Apprentices

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

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

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

Regulation 16 – Additional Pension Contributions

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

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

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

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

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

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

Regulation 30(6) – Flexible Retirement

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

actuarial guidance issued by the Secretary of State - separate policy required under Regulation 30(8)).

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

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

Scheme Employer's policy concerning flexible retirement

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

Regulation 30(8) – Waiving of Actuarial Reduction

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

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

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

Scheme Employer's policy concerning the waiving of actuarial reduction

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

Regulation 31 – Award of Additional Pension

A Scheme employer may resolve to award

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

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

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

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

Scheme Employer's policy concerning the award of additional pension

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

Schedule 2 - paragraphs 2 and 3

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

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

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

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

PART B - Formulation of RECOMMENDED policy in accordance with the

Local Government Pension Scheme Regulations 2013

Regulation 9(1) & (3) - Contributions

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

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

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

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

Regulation 17(1) - Additional Voluntary Contributions

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

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

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

The Council will pay SCAVC contributions where an employee has elected to pay AVCs by salary sacrifice. The amount of these employer SCAVC contributions will not exceed the amount of salary sacrificed by the employee. This is a Council discretion which is subject to the employee meeting the Council's conditions for acceptance into the salary sacrifice shared cost AVC scheme and may be withdrawn or changed at any time.

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

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

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

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

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

Regulation 100(6) - Inward Transfers of Pension Rights

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

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

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

Regulation 21(5) - Assumed Pensionable Pay

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

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

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

Regulation 74 - Applications for Adjudication of Disagreements

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

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

and to make a decision on such applications.

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

Name: Christopher Brooks

Job Title: Assistant Director of Legal and Democratic Services

Address: Civic Centre, Reading, Tel No: _____ 0118
9372602

Email: chris.brooks@reading.gov.uk

Adjudicator's Signature: _____

Date: _____

SCHEME EMPLOYER CONFIRMATION

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

The policies made above:

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

Will not be used for any ulterior motive;

Will be exercised reasonably;

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

Will be duly recorded when applied.

Signed on behalf of the Scheme Employer: _____

Name in Block Capitals:

Position: EXECUTIVE DIRECTOR OF RESOURCES

Scheme Employer's Name: READING BOROUGH COUNCIL

Date:

PAY POLICY STATEMENT - ANNEX F

KEY PAY SCALES FOR COUNCIL STAFF (1ST APRIL 2019)

New NJC Pay Structure - April 2019

GENERAL PAY SCALE

SCP	Per Annum		Per Hour		Current Grades	SCP
53	£	57,395	£	29.75		53
52	£	56,012	£	29.03	RG10	52
51	£	54,629	£	28.32		51
50	£	53,409	£	27.68		50
49	£	52,189	£	27.05		49
48	£	50,969	£	26.42	RG9	48
47	£	49,748	£	25.79		47
46	£	48,530	£	25.15		46
45	£	47,540	£	24.64		45
44	£	46,572	£	24.14	RG8	44
43	£	45,591	£	23.63		43
42	£	44,632	£	23.13		42
41	£	43,662	£	22.63		41
40	£	42,683	£	22.12	RG8	40
39	£	41,675	£	21.60		39
38	£	40,760	£	21.13		38
37	£	39,782	£	20.62		37
36	£	38,813	£	20.12	RG7	36
35	£	37,849	£	19.62		35
34	£	36,876	£	19.11		34
33	£	35,934	£	18.63		33
32	£	34,788	£	18.03	RG6	32
31	£	33,799	£	17.52		31
30	£	32,878	£	17.04		30
29	£	32,029	£	16.60		29
28	£	31,371	£	16.26	RG5	28
27	£	30,507	£	15.81		27
26	£	29,636	£	15.36		26
25	£	28,785	£	14.92		25
24	£	27,905	£	14.46	RG5	24
23	£	26,999	£	13.99		23
22	£	26,317	£	13.64		22
21						RG4
20	£	25,295	£	13.11	20	
19	£	24,799	£	12.85	19	
18					18	
17	£	23,836	£	12.35	RG4	17
16						16
15	£	22,911	£	11.88		15
14	£	22,462	£	11.64		14
13					RG4	13
12	£	21,589	£	11.19		12
11	£	21,166	£	10.97		11
10						RG3
9	£	20,344	£	10.54	9	
8	£	19,945	£	10.34	8	
7	£	19,554	£	10.14	7	
6	£	19,171	£	9.94	RG3	6
5	£	18,795	£	9.74		5
4	£	18,426	£	9.55		4
3	£	18,065	£	9.36		RG2
2	£	17,711	£	9.18	2	
1	£	17,364	£	9.00	1	

NB28	JNC READING SENIOR MANAGEMENT				EFFECTIVE DATE	1-Apr-19
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PAYAWARD	2.0%					
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ANNUAL 01/04/2018	GRADE		SCP	ANNUAL 01/04/2019	MONTHLY 01/04/2019	WEEKLY 01/04/2019	HOURLY 01/04/2019		
52246	RSMD		1	53291	4440.91	1022.01	27.6220		
53570	RSMD		2	54641	4553.45	1047.91	28.3220		
54893	RSMD		3	55991	4665.91	1073.79	29.0215		
56217	RSMD		4	57341	4778.45	1099.69	29.7215		
57544	RSMD		5	58695	4891.24	1125.65	30.4230		
58867	RSMD	RSMC	6	60044	5003.70	1151.53	31.1225		
60190	RSMD	RSMC	7	61394	5116.15	1177.41	31.8219		
61514	RSMD	RSMC	8	62744	5228.69	1203.31	32.5219		
62839	RSMD	RSMC	9	64096	5341.32	1229.23	33.2225		
64163		RSMC	10	65446	5453.86	1255.13	33.9224		
65487		RSMC	11	66797	5566.40	1281.03	34.6224		
66813		RSMC	12	68149	5679.11	1306.97	35.3235		
68137		RSMC	13	69500	5791.65	1332.87	36.0235		
69461		RSMC	RSMB	14	70850	5904.19	1358.77	36.7234	
70784		RSMC	RSMB	15	72200	6016.64	1384.65	37.4229	
72109		RSMC	RSMB	16	73551	6129.27	1410.57	38.1234	
73436		RSMC	RSMB	17	74905	6242.06	1436.52	38.8250	
74756			RSMB	18	76251	6354.26	1462.35	39.5229	
76086			RSMB	19	77608	6467.31	1488.36	40.2260	
77413			RSMB	20	78961	6580.11	1514.32	40.9276	
78734			RSMB	RSMA	21	80309	6692.39	1540.16	41.6260
80057			RSMB	RSMA	22	81658	6804.85	1566.04	42.3255
81385			RSMB	RSMA	23	83013	6917.73	1592.02	43.0276
82706				RSMA	24	84360	7030.01	1617.86	43.7260
84028				RSMA	25	85709	7142.38	1643.72	44.4249
85359				RSMA	26	87066	7255.52	1669.76	45.1286
86678				RSMA	27	88412	7367.63	1695.56	45.8259
88003				RSMA	28	89763	7480.26	1721.48	46.5264
89330				RSMA	29	91117	7593.05	1747.44	47.2280
90650				RSMA	30	92463	7705.25	1773.26	47.9259
91973				RSMA	31	93812	7817.71	1799.14	48.6254
96209				CDIR	32	98133	8177.77	1882.00	50.8649
99172				CDIR	33	101155	8429.62	1939.96	52.4314
102346				CDIR	34	104393	8699.41	2002.05	54.1095
105618				CDIR	35	107730	8977.53	2066.06	55.8394
106663				CDIR	36	108796	9066.36	2086.50	56.3918
109859				CDIR	37	112056	9338.02	2149.02	58.0815
113054				CDIR	38	115315	9609.59	2211.52	59.7707
119636				CDIR	39	122029	10169.06	2340.27	63.2506

READING BOROUGH COUNCIL

REPORT BY HEAD OF HR AND ORGANISATIONAL DEVELOPMENT

TO:	PERSONNEL COMMITTEE		
DATE:	14 MARCH 2019		
TITLE:	KENNET DAY NURSERY FEE INCREASE 2019/20		
LEAD COUNCILLOR:	CLLR JASON BROCK	PORTFOLIO:	CORPORATE AND CONSUMER SERVICES
SERVICE:	KENNET DAY NURSERY	WARDS:	BOROUGHWIDE
LEAD OFFICER:	SHELLA SMITH	TEL:	0118 937 4697
JOB TITLE:	HEAD OF HR AND ORGANISATIONAL DEVELOPMENT	E-MAIL:	sheila.smith@reading.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This report details the nursery's budget for 2019/20 and recommends the nursery fees from April 2019.
- 1.2 Under the arrangements for consultation set out by the former Equal Opportunities Sub-Committee when it set up the nursery in 1987, the Kennet Day Nursery Association is required to ratify any proposed fee increase. The voting system was used and was concluded on 20 February 2019.

2. RECOMMENDED ACTION

- 2.1 That the fee structure be increased by 2% to apply from April 2019 as follows:

£228.55 per week - £46.17 per day (RBC Users)
£250.75 per week - £50.65 per day (Non RBC Users)
- 2.2 The current discount of £2 a day for siblings will continue unchanged throughout the year. The current additional charge of £2 a day for children under 2 years will also continue unchanged.

3. POLICY CONTEXT

- 3.1 The service 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.
- 3.2 The nursery is well regarded by childcare practitioners in Reading as being a high quality childcare service. This has been confirmed by the OFSTED grading of the nursery as 'outstanding' in its latest inspection carried out in July 2016. This has been achieved through:
- Predominantly using level 3 qualified staff to meet its child to staff ratios
 - Paying staff a competitive wage for childcare
 - Staff in house training opportunities are exceptional and worthy of sharing with others. Staff are also supported in-house to work towards professional qualifications (NVQs). This was highlighted by OFSTED as key to achieving its outstanding grading.
 - Providing an effective management structure undertaken through self-evaluation to ensure positive outcomes for children.
- 3.3 The last fee proposal was agreed in April 2018 and required the nursery to increase fees by 4%, in order to achieve a £30,000 surplus of income. To achieve this, a consistent 87+% occupancy level was required throughout the year.
- 3.4 In April 2018, Kennet Day Nursery was moved to the Directorate for Resources under the new Head of HR and Organisational Development. Prior to the move the budget was reviewed and the expected income target surplus was increased requiring the nursery to make a further surplus of £75,000 in the financial year 2018/19. This was a 150% increase on the original target. The income target for 2019/20 will remain at £75,000 surplus.
- 3.5 This income target arrived at a time where more parents are benefiting from the Government's 30 hours free childcare for working parents of 3 to 4 year olds in England. The nursery has seen an increase in the number of sessions children attend in that age group. Kennet as a work place day nursery operates this funding on a stretched basis, allowing parents to have up to 21.9 hours of funding a week all year round. This allows us to maximise on the occupancy in this age group which is currently 93%.
- 3.6 The 30 hours funding rate for this scheme equates to £4.80 an hour or £48.00 a day rate which in real terms allows the nursery to make a small surplus on the daily RBC parent payments rates. However this is not the case of Non RBC parent rates. Therefore with our existing make up of occupancy, this year has seen the balance of these rates allowing the nursery to still achieve a surplus income from this.
- 3.7 Going forward we will need to monitor this closely as funding rates have not changed since the introduction of the 30 hours scheme in 2017 and if the nursery RBC rates increase over this funding, it will cause a negative impact on the budget.

- 3.8 In January 2019, the Council launched its work place day nursery salary sacrifice scheme following approval by Personnel Committee on 8 November 2018. This is an arrangement between employees and the Council as their employer where they formally agree to a reduction in their salary and in return they receive a benefit; in this case the benefit is a workplace nursery. Families can save approximately 30% on their nursery fees payments through the scheme.
- 3.9 There are a number of other ways in which parents can receive support with their nursery fees depending on their personal circumstances:
- **Working tax family credits** - reimburse up to 70% of nursery fees.
 - **Childcare vouchers** - still available for families who are already signed up, although the scheme was withdrawn by Government for new applicants from October 2018. Working families in the UK with children under 16 (or under 17 if disabled) can save up to £933 a year in tax and National Insurance savings through the vouchers.
 - **Tax free childcare** - For working families, including the self-employed, in the UK with children under 12 (or under 17 if disabled). For every £8 paid in, the government will add an extra £2, up to a maximum of £2,000 per child per year (or £500 every three months).
 - **15 Hours free childcare entitlement (universal)** - to eligible families for their children applicable from the term following their child's 3rd birthday.
 - **Extended entitlement - 30 hours funding** - for families of 3 to 4 year-olds in England that are working over 16 hours a week earning over the national minimum wage. Parents who are eligible receive 30 hours of free childcare for 38 weeks of the year (i.e. term time).

4. THE PROPOSAL

- 4.1 It is proposed to increase the nursery fees by 2% with affect from April 2019, in line with the cost of living pay award which has been granted to employees of the Council.
- 4.2 At present the average occupancy level for the nursery is 94%. Occupancy fluctuates annually with a drop in levels in September as a direct result of children leaving to go to school; occupancy then steadily increases again in the following months. The Nursery also has a very healthy waiting list with over 30 families waiting for spaces or planning to take up spaces over the coming year.
- 4.3 Kennet Day Nursery still remains good value for money with other local nurseries charging rates ranging from £47.50 to £66.50 a day for children aged over two years old.
- 4.4 In looking at the setup of other day nurseries in the area, most are structured in a way that means children under 3 years old or children that attend part-time are

usually charged at a higher rate than children who attend full-time. The table below shows comparison daily fee rates:

Setting	Under 3's	Over 3's
Forbury Gardens	£59.00	£54.00
Caversham Day Nursery	£60.00	£56.00
Berkley Gardens	£57.00	£51.50
Little Dragons	£55.00	£54.00
Sure Start Whitley	£53.74	£47.90
Rainbow Day Nursery	£63.88	£58.56
Lodge	£54.57	£49.22
Chiltern	£69.50	£66.50
Bubbles (The Globe)	£50.50	£47.50
Greyfriars	£59.00	£53.50
<u>Average</u>	<u>£58.22</u>	<u>£53.87</u>
KDN (RBC)	£48.34	£46.17
<i>Difference</i>	<i>£9.88</i>	<i>£7.70</i>
KDN (Non)	£52.83	£50.65
<i>Difference</i>	<i>£5.39</i>	<i>£3.22</i>

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.

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 Child Care Act 2006. The day nursery is registered with OFSTED to provide full day-care for children under eight.
- 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. The consultation proposal for this fee increase was circulated to the full Kennet Day Nursery Association prior to the position being ratified via an electronic voting system due to poor attendance. The system received 25 votes to support the increase and 1 to reject the increase. This concluded on 20 February 2019.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 There are no significant equalities implications arising from this proposal.

8. FINANCIAL IMPLICATIONS

- 8.1 The current year 2018/19 has existing pressures on staffing costs, due to the use of temporary staff as the existing establishment caters only for 56 children, but the nursery currently has increased occupancy levels of 64 children. This is in order to meet a local demand, and to maximise the potential generating income.
- 8.2 Assuming demand remains constant, an increase of 2% in fees will only slightly offset an existing pressure in running the service, as running costs would have also increased by 2%. Consequently, any increase in fees for future years will need to take this into account.

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