

# READING BOROUGH COUNCIL PAY POLICY STATEMENT 2023/24

## 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 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 is committed to equality, transparency, and fairness across all of its activities and particularly in relation to the pay and conditions of its staff.
- 1.4. This document has the following Annexes:
  - Annex A: Requirements and Recommendations to Publish Personal data concerning Staff
  - Annex B: Governance Arrangements for Pay and Conditions of Service
  - Annex C: Summary of Conditions of Service
  - Annex D: Council Employees in Salary Bands as at 1 April 2023
  - Annex E: Pension Discretions Statement
  - Annex F: Pay scales for staff employed on NJC (Green Book) conditions and Senior Managers (JNC).
- 1.5. 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 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 2023/24 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, 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 Executive Director of Children's Services;
- (c) the Executive Director of Communities and Adult Social Care;
- (d) the Executive Director of Economic Growth & Neighbourhood Services
- (e) the Executive Director of Resources
- (f) the Director of Finance (Section 151 Officer)
- (g) the Monitoring Officer (Assistant Director of Legal and Democratic Services)
- (h) 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
- (i) persons who, as respects all or most of their duties, report directly to or are accountable to the posts listed in (b), (c), (d), (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 2 of the Council Constitution on the Council's website.

3.5. "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. 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 section 4 of Part 3 of the Council's constitution.
- 4.2. Council, and the Personnel Committee, have extensive and long-standing arrangements to delegate the exercise of this power to the Chief Executive, Executive Directors, 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 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 the Deputy Chief Executive, Executive Directors, 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 either been negotiated and agreed through appropriate collective bargaining mechanisms or locally. These are then incorporated into contracts of employment.
- 5.2. The Council is a member of the local government employer's 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 all terms and conditions (as set out in Annex C) was last increased nationally ('cost of living' increase) from April 2023. The national pay negotiations for Chief Officers for 2023/24 reached agreement on 5 May 2023 to award an increase of 3.50 per cent, backdated to 1 April 2023. The negotiations for Chief Executives reached agreement on 1 November 2023, also to award an increase of 3.50 per cent, backdated to 1 April 2023. The negotiations for NJC staff reached agreement on 1 November and

agreed an increase of £1,925 backdated to 1 April 2023. Staff covered by Craftworkers terms and conditions reached agreement on 16 November 2023 and agreed an increase of £1,925 backdated to 1 April 2023. 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 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, Directors and Deputy/Assistant Directors:** These senior staff 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. No other payments or benefits are payable to these senior staff (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 grading structure allows for all staff, including apprentices, to be paid an hourly rate no lower than the Living Wage Foundation rate. The new rate of £10.42 per hour applied at the Council from 1 April 2023 rising to £10.90 from 1 April 2024.
- 7.2. 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 £177,942.37 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 3, £22,737 per annum as at 1<sup>st</sup> April 2023) and the highest paid employee (using full-time equivalent rates) is 1:7.82. This ratio is with effect from 1<sup>st</sup> April 2023. The Council will work to maintain a ratio of no more than 1:10 between the lowest paid and the highest paid.
- 8.2. This authority does not have a policy on maintaining or reaching a specific highest / **median** 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this Policy Statement. The authority's approach to the payment of other staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities, and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay. The median salary paid by the Council is £33,945. The pay multiple between the highest and median salary is 1: 5.24.
- 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 / BCD 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 2023 by salary band and then by gender, ethnic origin and disability.
- 10.2. The numbers of Black, Asian and Minority Ethnic employees and disabled employees are shown as a proportion of employees who have made a positive declaration.
- 10.3. The percentage of women is higher than men across all salary bands except for apprentice. About 61.19% of the Council's workforce are women.
- 10.4. The percentage of employees from Black, Asian and Minority Ethnic backgrounds is highest in apprentices at 45%. The percentage of Black, Asian and Minority Ethnic employees in the workforce is 17.31% (if employees who have not made a positive declaration are excluded). This is an increase from April 2022 when it was 17.25%.
- 10.5. The number of employees who have declared a disability across salary bands ranges between 0% in RG10 and 5.72% in RG4. The percentage of employees who have declared a disability in the workforce is 4.20% (if employees who have not made a positive declaration are excluded). This is a slight increase from April 2022 when it was 3.99%.

## **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:
  - '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 Assistant Director);
  - Regular 1-1s and annual reviews 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 relevant Executive Director or Deputy Chief Executive 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 relevant Executive Director or Deputy Chief Executive. 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. REMUNERATION ON APPOINTMENT AND PROMOTION**

- 12.1. 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.
- 12.2. 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 relevant Director or 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.
- 12.3. 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.

## **13. OTHER ELEMENTS OF THE REMUNERATION PACKAGE**

- 13.1. **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 16.2%. This rate is reviewed and set every three years by the actuary. Reading Borough Council is part of the Berkshire scheme, administered by the Royal Borough of Windsor and Maidenhead. Neither the scheme nor the Council adopt different policies with regard to benefits for any category of employee: the same terms apply to the Chief Executive, chief officers and other staff.
- 13.2. **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 their duties as an employee of the Borough Council. As Returning Officer, they are paid a separate allowance for each election for which they are responsible.
- 13.3. Separate fees will be paid to the Returning Officer for undertaking Returning Officer duties. 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.

13.4. 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.

13.5. **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.

13.6. **Honorarium and other temporary additional payments:**

Under the Council's scheme of delegation to officers,, Executive Directors, 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 their 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.

## 14. NON-PAY ELEMENTS AND BENEFITS

14.1. **Annual Leave:** The following annual leave entitlements apply

- The minimum annual leave allowance (on appointment) will be 25 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 33 days.



- 14.2. **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. There are also non-subsidised employee discount schemes.
- 14.3. **Flexible Working:** All employees can access flexible working arrangements from their first day of employment subject always to the needs of the service.
- 14.4. **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**. Employees with a salary sacrifice lease car undertaking approved work-related travel receive the relevant HMRC advisory rate depending on the engine size of their vehicle. No other car allowance (e.g., monthly lump sum) is payable to any employee.

## 15. TERMINATION OF EMPLOYMENT

- 15.1. 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.
- 15.2. 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.
- 15.3. Each of the proposals presented to the Committee must first be considered and agreed by an officer panel comprising the Director of Finance (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.
- 15.4. Where the compensation to be paid exceeds £100,000 in total, then Council will be offered an opportunity to vote on the matter prior to approval.
- 15.5. **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.

- 15.6 **Special Severance Payments (SSPs):** On 12 May 2022, the Department for Levelling Up, Housing & Communities (DLUHC) issued statutory guidance, which applies to “best value authorities”, when making Special Severance Payments (SSPs) from that date. The Council is already complying with most elements of the new guidance. The key change is to ensure that in future, SSPs above £20,000 but below £100,000 are personally approved and signed off by the Head of Paid Service, with a clear record of the Leader’s approval and that of any others who have signed off the payment. At the Council, this would always include the relevant Executive Director, the Section 151 Officer, and the Monitoring Officer, who will also continue to sign off SSP business cases below £20,000.
- 15.7 In exceptional circumstances, and specifically 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)
- 15.8 **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 ending their current employment.
- 15.9 **Flexible Retirement:** in accordance with Superannuation Regulations, 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 payback period of no more than 2 years).

## 16. PENSION DISCRETIONS

- 16.1 The Council’s current Policy Statement on the use of discretions under the relevant Superannuation Regulations is attached as **Annex E**.

## 17. PAY PROTECTION

- 17.1 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.

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

- 18.1 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.

## **19. AMENDMENTS TO THE POLICY**

19.1 As the Policy covers the period April 2023 to the end of March 2024, 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.

## **20. POLICY FOR FUTURE YEARS**

20.1 This Policy Statement will be reviewed each year and will be presented to 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 Communities and Local Government 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

**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 Responsibility for Council Functions :**

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

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

**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 Executive and 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.

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

The terms and conditions for Directors and 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 01.04.2023

Grade Bandings		Total Staff	Women		BAME			Disability		
			No	%	No	ND	%	No	ND	%
App	Up to 22,737	20	7	35.00%	9	1	45.00%	1	17	5.00%
RG2	23,500	72	50	69.44%	23	7	31.94%	1	27	1.39%
RG3	25,979	209	139	66.51%	32	21	15.31%	11	84	5.26%
RG4	31,364	472	278	58.90%	88	17	18.64%	27	116	5.72%
RG5	36,648	320	198	61.88%	48	9	15.00%	11	65	3.44%
RG6	41,418	200	112	56.00%	33	6	16.50%	10	51	5.00%
RG7	47,420	179	117	65.36%	22	12	12.29%	6	41	3.35%
RG8	53,630	93	58	62.37%	17	6	18.28%	1	29	1.08%
RG9	60,004	67	42	62.69%	9	2	13.43%	3	15	4.48%
RG10	64,333	34	23	67.65%	7	2	20.59%	0	8	0.00%
RSM+		50	26	52.00%	9	7	18.00%	1	18	2.00%
		<b>1716</b>	1050	61.19%	<b>297</b>	<b>90</b>	17.31%	<b>72</b>	<b>475</b>	4.20%

ND = Not Disclosed

Percentages are based on the proportion of employees in each band who have made a positive declaration

**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 1<sup>st</sup> April 2014 subject to annual increase in line with the Pensions (Increase) Act 1971).

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

A Scheme employer may resolve to award

- (a) an active member, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Council 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:** Michael Graham  
**Job Title:** Assistant Director of Legal and Democratic Services  
**Address:** Civic Centre, Reading, Tel No:0118 9373470  
**Email:** michael.graham@reading.gov.uk

## **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.

<b>Name in Block Capitals:</b>	JACQUELINE YATES
<b>Position:</b>	CHIEF EXECUTIVE
<b>Scheme Employer's Name:</b>	READING BOROUGH COUNCIL