

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

Our Ref: perscttc/agenda

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24 February 2016

Your contact is: Michael Popham - Committee Services

### NOTICE OF MEETING - PERSONNEL COMMITTEE - 3 MARCH 2016

A meeting of the Personnel Committee will be held on **Thursday 3 March 2016 at 6.30pm** in **Committee Room 1**, Civic Offices, Reading.

#### AGENDA

		ACTION	WARDS AFFECTED	PAGE NO
1.	DECLARATIONS OF INTEREST			
2.	MINUTES OF MEETINGS HELD ON 10 DECEMBER 2015	INFORMATION	BOROUGHWIDE	1
3.	PROCEEDINGS OF THE LOCAL JOINT FORUM HELD ON 2 FEBRUARY 2016	INFORMATION	BOROUGHWIDE	5
4.	PAY POLICY 2016/17	DECISION	BOROUGHWIDE	9
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"				
5.	EARLY RETIREMENTS AND REDUNDANCIES	DECISION	BOROUGHWIDE	13

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## PERSONNEL COMMITTEE MINUTES - 10 DECEMBER 2015

- Present:** Councillor Terry (in the Chair);  
Councillors Davies (for Page) and Gavin.
- Also Present:** R Hall and K Magee (for items 16 to 20); W King,  
I Wardle and S Poole.
- Apologies:** Councillors Lovelock, Page and Skeats

### RESOLVED ITEMS

#### 16. MINUTES

The Minutes of the meetings held on 1 October 2015 and 23 November 2015 were confirmed as correct records and signed by the Chair.

#### 17. PROCEEDINGS OF THE LOCAL JOINT FORUM

The Managing Director submitted the proceedings of the Local Joint Forum meeting held on 19 November 2015.

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

#### 18. CONTRACT FOR THE PROVISION OF EMPLOYEE ASSISTANCE PROGRAMME

Warren King, Interim HR/Payroll Services Manager, submitted a report providing the Committee with details of the procurement process to be undertaken in order to put in place a contract for an Employee Assistance Programme (EAP), and to seek delegated authority to award a contract.

The report explained that as part of the policy on the wellbeing of staff the Council needed to have an EAP service in place that included counselling, online help and advice, debt counselling, legal and financial services for employees, their families and elected Members. The cost of the current contract with Optum was £30,000 per annum and had been in place since October 2003, but would expire on 31 March 2016.

The report stated that HR had consulted with HR colleagues from other local authorities to ascertain the possibility of a collaborative procurement process for the provision of an EAP service but this was not possible as some used in-house counselling services and others were already part way through their contracts.

The report also explained that HR proposed to use a framework agreement from Crown Commercial Service (CCS). There were four suppliers for EAP services on the framework and it was HR's intention to conduct a mini-competition in accordance with the terms and conditions of the CCS framework agreement, to procure an appropriate service. The mini-competition would be conducted using CCS's e-sourcing portal and the award criteria would be based on the further competition procedure identified within the terms and conditions of the CCS framework agreement (RM932).

**Resolved -** That the Head of Legal and Democratic Services, in consultation with the Leader of the Council, be given delegated authority to enter into

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a contract for the provision of an EAP provider for a period of eighteen months.

### 19. LIVING WAGE - 2015 RATE

Warren King submitted a report to update the Committee on the new Living Wage (LW) rate and to seek agreement to delegate the authority to implement the new rate of pay.

The report explained that the Council's Pay Policy stated that eligible staff should receive as a minimum either Spinal Column Point (SCP) 11 or the Living Wage rate (whichever was the higher). The UK Living Wage rate was set annually by the Living Wage Foundation and calculated by the Centre for Research in Social Policy at Loughborough University and updated each year to take account of rises in living costs and any changes in what people defined as a 'minimum'. It also took some account of what was happening to wages generally, to prevent a situation where LW employers were required to give pay rises that were too far out of line with general pay trends.

The report explained that the LW was announced annually in November and had to be implemented within six months. The new value of the LW was £8.25 per hour which, for the first time, was above the rate paid by the Council for staff currently employed on SCPs 11 (£7.88 per hour) and 12 (£8.05 per hour). However, the Joint Trade Union Side had submitted a pay claim for 2016/17 which could increase SCPs 11 and 12 to match the LW, but the outcome of the NJC pay award might not be known until after the required LW implementation date of 1 May 2016.

The report also stated that initial scoping suggested that there were 950 posts that would benefit from the Living Wage rate, almost half of which were in schools and so a decision would be required before the next meeting of the Committee to build an allowance into budgets to reflect the higher rate of pay.

The report proposed that one option was to pay a 'Living Wage Supplement' to those staff on SCP 11 and SCP 12 of £0.37 and £0.20 respectively to uplift their hourly rate to £8.25 per hour with effect from 1 April 2016. This supplement could be reduced, or removed entirely, once the outcome of the NJC pay award was known.

**Resolved -** That the Managing Director and HR/Payroll Services Manager be given delegated authority to implement the new Living Wage rate from 1 April 2016.

### 20. CHILDREN'S SERVICES UPDATE

The Managing Director tabled a Children's Services update. He explained that this was an interim update and that a full report would be submitted to Policy Committee in January 2016. The current focus was the stability of the workforce and locums had been employed as a temporary measure to ensure that there were sufficient experienced staff to cover the current workload.

There had been significant progress in improving management capacity with the recruitment of seven new Social Workers and eight newly qualified Social Workers on the Assessed and Supported Year in Employment (ASYE) programme. New Heads of

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Service for Early Help and the Multi-Agency Safeguarding Hub (MASH) had been appointed and an offer had been made to a Head of Children's Safeguarding. In addition, the contract was being finalised for the new Director of Children's Services.

It was also reported that there had been a reduction in the number of staff submitting resignations, and negotiations had resulted in some retractions, which retained valuable knowledge of local families.

There had been an excellent response to the Switching to Social Work campaign and 10 staff would be commencing the Open University course in January 2016.

A six week Next Stage Plan had been introduced to ensure momentum around the changes required in Children's Services and this had been complemented by monthly staff conferences. There was a perception that there was a new vision of purpose for Children's Services from staff and it had been suggested that a Staff Council and Forum be established to give staff the opportunity to challenge management and suggest improvements. The focus of the Next Stage Plan would be the timeliness of assessments, a reduction of individual caseloads and the re-establishment of a thresholds document that would ensure a consistent approach across all partnership agencies.

A review of staffing levels was being undertaken along with a restructure proposal to help with capacity, linked with savings options and work on the recruitment and retention of staff.

Resolved - That the gratitude of the Committee be relayed to Wendy Fabbro for her additional work as Acting Director of Children's Services and for adding a sense of calm and purpose to the Service.

### 21. 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 paragraphs 1 and 2 of Part 1 of Schedule 12A (as amended) to that Act.

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

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

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

- The financial case was given which represented the highest cost to the Council. In most cases this included discretionary added years on pension (where

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payable), as this represented a direct and ongoing cost to the Council. This was in accordance with the Council's current practice of considering redundancy and retirement terms up to the maximum limit of discretion, where applicable. The Committee was asked to approve individual proposals subject to a maximum ceiling on the exercise of discretion;

- The financial implications were costed on the basis of the estimated figures, which were subject to final confirmation. The figures might be affected by changes to final salary, pensionable service, age or date of leaving. The Committee was asked to approve the proposals on the basis of the estimated figures, subject to any individual proposal being brought back to Committee if the confirmed costs were more than 10% in excess of those reported;
- The costs of early retirement on the grounds of ill health were met by the Local Government Pension Scheme or the Teachers' Pension Scheme.

The report sought approval for the payment of a compensation package in the case of proposed termination of employment or early retirement on grounds of redundancy, efficiency of the service or ill health subject to the conclusion of all outstanding matters in each case, including ongoing consultation with employees and their representatives, and efforts to secure alternative employment, where appropriate.

Resolved -

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

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

(The meeting commenced at 6.30 pm and closed at 6.52 pm).

## PROCEEDINGS OF THE LOCAL JOINT FORUM - 2 FEBRUARY 2015

### Present:

Councillors Gavin, Lovelock, Page and Steele	
Ms J Boyd	National Union of Teachers (NUT)
Mr K Magee (Chair)	Unite
Mr W King	Interim HR/Payroll Services Manager
Mr M Popham	Committee Services

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

### 1. PROCEEDINGS OF THE LOCAL JOINT FORUM MEETING HELD ON 19 NOVEMBER 2015

The Proceedings of the Local Joint Forum meeting held on 19 November 2015 were confirmed as a correct record.

### 2. PAY POLICY 2016/17

Warren King, Interim HR/Payroll Services Manager, submitted a report informing the Forum of the development of the 2016/17 pay policy, which had been amended in light of operational demands, in preparation for submission to Personnel Committee and full Council in March 2016. A copy of the Pay Policy Statement 2016/17 was appended to the report.

The report explained that local authorities were required under section 38(1) of the Localism Act 2011 to prepare a Pay Policy Statement. The Statement had to articulate the Council's policy towards the pay of the workforce, particularly senior staff and the lowest paid employees. The Council had published its first Pay Policy Statement in April 2012; subsequently the Statement had been amended in a number of respects. The report summarised the changes that would be made to the document, which had been published in 2015/16 as follows:

- Pay values arising from the NJC 2015 pay award;
- Up-dating of salary band information;
- Changes to references where appropriate;
- The inclusion of current pay scale tables for NJC and Senior Managers up to and including Director level;
- Some additional discretion and flexibility afforded to Corporate Directors over pay issues; and
- Items highlighted in the draft Statement for 2016/17 as being in need of updating before publication.

The report explained that each local authority was an individual employer in its own right and had the autonomy to make decisions on pay that were appropriate to local circumstances and which delivered value for money for local taxpayers. The provisions of the Localism Act did not seek to change this or to determine what decisions on pay should be taken but they did require individual employing

authorities to be more open in their own policies in relation to pay and how decisions were made in this regard. Section 40 of the Act required authorities, in developing their Pay Policy Statement, to have regard to any guidance that had been published by the Secretary of State. This included 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).

The Government had 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 had asked Councils to consider the way they released data on senior salaries. In addition, in March 2011 the Hutton Review of Fair Pay had been published which made several recommendations for promoting pay fairness in the public sector by tackling disparities between the lowest and highest paid.

The report explained that the provisions contained in the Act had brought together the need for increasing accountability, transparency and fairness in the setting of pay which had culminated in the formation of the Council's Pay Statement, which outlined the pay and reward of the most senior employees set within the context of the pay of the wider workforce. The Act set out the specific elements which the Pay Policy Statement had to include as a minimum and required that in addition to the determination of senior salaries authorities had to make clear what approach was taken to awarding other elements of pay. The Act required that authorities included in their Pay Policy Statements their approach to the publication of and access to information relating to the remuneration of Chief Officers. The Act required that the Pay Policy Statement was produced annually and was considered in full by the Council and that the Council's approach to pay, as set out in the Statement, was accessible for Council Tax payers for them to take an informed view of whether local decisions on all aspects of remuneration were fair.

Finally, the report stated that the Hutton Report and The Code of Recommended Practice for Local Authorities on Data Transparency also suggested that the organisation's pay multiple was published.

**AGREED:** That the Pay Policy Statement 2016/17 and its subsequent submission to Personnel Committee on 3 March 2016 for onward recommendation to Council on 22 March 2016 be noted.

### 3. ENGLISH LANGUAGE REQUIREMENT FOR PUBLIC SECTOR WORKERS

Warren King, Interim HR/Payroll Services Manager, reported on new legislation to make fluent English a requirement for all public sector staff working in customer-facing roles. It would be the responsibility of public sector organisations to ensure staff could communicate effectively with the public.

The Cabinet Office had consulted on a draft Code of Practice to provide guidance on the new requirements, which were expected to be enacted as part of the Immigration Bill. The Council would be required to have a complaints procedure in

place for use when a member of the public considered the required standard of English had not been met, as well as the action to be taken if a worker fell below the required standard. The definition of workers included employees, apprentices, self-employed contractors, agency temporary workers and casuals.

The report explained that the required level of English for the role would need to be set out in the advert and Job Description, and proportionate, objective tests/assessments would be required during the selection process for the recruitment of new staff. Existing members of staff would not need to be tested in this way. However, some form of assessment through supervision and appraisal would need to take place to identify any workers falling below the standard of English required for their role.

The Forum noted that accent, dialect, manner or tone, origin or nationality, and disabilities/speech impediments fell outside of this duty, and would not be a legitimate cause for a complaint by a member of the public. However, there was concern that it would not be easy to differentiate between legitimate complaints and those that may be made on the basis of a client's discriminatory prejudice. It was therefore requested that the number of complaints received in the first six months should be monitored and reviewed to see if there was any evidence that the new legislation, once enacted, was being used inappropriately.

The process for implementing the new requirements was set out in the report. In addition, a representative from HR would be sitting on the South East Employers' working group, which had been set up to provide advice and guidance on the new arrangements to local authorities.

**AGREED:** That the pending requirements in the Immigration Bill to make fluent English a requirement for all public sector staff working in customer-facing roles be noted and it be requested that the number of complaints received in the first six months of the new legislation be monitored to determine whether the complaint provisions within the legislation were being used appropriately.

#### 4. WORK EXPERIENCE - DEPARTMENT FOR WORK AND PENSIONS

Kieran Magee, Chair, raised the issue of 'trainees' that were being supplied by the Department of Work and Pensions to gain work experience in various roles at the Council. The 'volunteers' were placed in unpaid roles for twenty-five hours per week for eight weeks at a time. The referrals were made through the Job Centre and New Directions. There were currently two people who had been placed at the Council, one was employed in Housing Needs and the other had been placed in the Early Years and Play Service. As part of the induction process, the 'volunteers' were given information about data protection and the need to maintain confidentiality during their time at the Council, although they were not expected to be party to sensitive and confidential data. It was confirmed that, if necessary, they would have received the appropriate DBS clearance before taking up their appointment.

The Forum was keen that the placements should provide meaningful employment and should not be used to 'fill a gap' in a service, which should be provided by a

## PROCEEDINGS OF THE LOCAL JOINT FORUM - 2 FEBRUARY 2015

paid position. There was also a desire to be confident that the 'trainees' were fully aware of their data protection and confidentiality responsibilities as the current cohort of two had been placed in areas where they could be exposed to potentially sensitive personal information.

**AGREED:** That the position be noted.

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

**READING BOROUGH COUNCIL**  
**REPORT BY HEAD OF LEGAL & DEMOCRATIC SERVICES**

<b>TO:</b>	PERSONNEL COMMITTEE		
<b>DATE:</b>	3 MARCH 2016	<b>AGENDA ITEM:</b>	4
<b>TITLE:</b>	PAY POLICY 2016 / 17		
<b>SERVICE:</b>	HR / PAYROLL	<b>WARDS:</b>	All
<b>LEAD OFFICER:</b>	WARREN KING	<b>TEL:</b>	0118 937 4500
<b>JOB TITLE:</b>	INTERIM HR AND PAYROLL SERVICES MANAGER	<b>E-MAIL:</b>	warren.king@reading.gov.uk

**1. PURPOSE OF REPORT**

- 1.1 To seek views on the development of the 2016/17 pay policy, which has been amended in light of operational demands, prior to submission to full Council in March 2015.

**2. RECOMMENDED ACTION**

- 2.1 That you review the draft 2016/17 Pay Policy (attached) and determine what, if any, changes need to be made to the content;

**3 POLICY CONTEXT**

- 3.1 Local Authorities are required under section 38(1) of the Localism Act 2011 (the Act) to prepare a Pay Policy Statement. The statement must articulate the Council's policy towards the pay of the workforce, particularly senior staff and lowest paid employees. The Council published its first Pay Policy Statement in April 2012.

- 3.2 The attached statement has been amended in the following respects:

- pay values arising from the NJC 2015 pay award
- Up-dating of salary band information
- Changes to references where appropriate.
- The inclusion of current pay scale tables for NJC and Senior Managers up to and including Director level.
- Some additional discretion and flexibility afforded to Corporate Directors over pay issues.

- Items highlighted in yellow will need to be updated before publication.
- 3.3 Each local authority is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The provisions of the 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.
- 3.4 Section 40 of the Act requires authorities in developing their Pay Policy Statement to have regard to any guidance published by the Secretary of State. This includes Communities and Local Government guidance on Openness and Accountability in Local Pay and the Code of Recommended Practice for Local Authorities on Data Transparency (as amended).
- 3.5 The government has taken steps to increase transparency on the pay and reward of public sector employees and the Code of Recommended Practice for Local Authorities on Data Transparency which amongst other things asks councils to consider the way they release data on senior salaries.
- 3.6 In March 2011 the Hutton Review of Fair Pay was published which made several recommendations for promoting pay fairness in the public sector by tackling disparities between the lowest and highest paid in the public sector.
- 3.7 The provisions contained in the Act bring together the need for increasing accountability, transparency and fairness in the setting of pay which culminated in the formalisation of the Council's Pay Policy Statement, which outlines the pay and reward of the most senior employees set within the context of the pay of the wider workforce.
- 3.8 The Act sets out in detail the specific elements which the Pay Policy Statement must include as a minimum. The Act requires that in addition to the determination of senior salaries authorities must make clear what approach is taken to awarding other elements of pay including;
- severance payments,
  - any additional fees e.g. election duties)
  - pay increases,
  - honorarium payments etc.
- 3.9 The Act requires that authorities include in their Pay Policy Statements 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.

- 3.10 The Act requires that Pay Policy Statements are produced annually and are considered by full council. Any subsequent amendments required to the policy should also be considered by full council. This should be carried out in accordance with part 5A of the Local Government Act 1972. The Secretary of State does not consider that any of the grounds for exclusion of the public would be met for discussions around Pay Policy Statements.
- 3.11 The Act requires that the council's approach to pay, as set out in the Pay Policy Statement, is accessible for council tax payers for them to take an informed view of whether local decisions on all aspects of remuneration are fair therefore the approved Pay Policy Statement is published on the council's website.
- 3.12 The Hutton report highlighted that there is value in ensuring decisions about senior pay are taken in the context of similar decisions on lower paid staff and the Act requires Authorities to set their policy on remuneration for the highest paid employees alongside policies on the lowest paid.
- 3.13 The Hutton report and The Code of Recommended Practice for Local Authorities on Data Transparency also suggest that the organisation's pay multiple is published. The 'pay multiple' (in this context) is described as the ratio between the highest paid employee and the 'median average' earnings across the organisation which acts as a means of illustrating the relationship between the highest and lowest paid.

#### 4 NEXT STEPS

- 4.1 A copy of the redrafted 2016/17 Pay Policy Statement can be found at Appendix 1. This will need to be submitted to full Council for approval, later that month.