



WOKINGHAM BOROUGH COUNCIL

A Meeting of the **PERSONNEL BOARD** will be held in
Board Room - Civic Offices, Shute End, Wokingham RG40
1BN on **THURSDAY 27 FEBRUARY 2020 AT 7.00 PM**

A handwritten signature in black ink, appearing to read 'Susan Parsonage', written in a cursive style.

Susan Parsonage
Chief Executive
Published on 19 February 2020



WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, an even better place to do business

Our Priorities

Improve educational attainment and focus on every child achieving their potential

Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth

Ensure strong sustainable communities that are vibrant and supported by well designed development

Tackle traffic congestion in specific areas of the Borough

Improve the customer experience when accessing Council services

The Underpinning Principles

Offer excellent value for your Council Tax

Provide affordable homes

Look after the vulnerable

Improve health, wellbeing and quality of life

Maintain and improve the waste collection, recycling and fuel efficiency

Deliver quality in all that we do

MEMBERSHIP OF THE PERSONNEL BOARD

Councillors

John Halsall (Chairman)
Lindsay Ferris
Simon Weeks

John Kaiser (Vice-Chairman)
Pauline Helliar-Symons

Carl Doran
Clive Jones

ITEM NO.	WARD	SUBJECT	PAGE NO.
21.		<p>APOLOGIES To receive any apologies for absence</p>	
22.	None Specific	<p>MINUTES OF PREVIOUS MEETING To confirm the Minutes of the Meeting held on 4 November 2019.</p>	5 - 6
23.		<p>DECLARATION OF INTEREST To receive any declarations of interest</p>	
24.		<p>PUBLIC QUESTION TIME To answer any public questions</p> <p>A period of 30 minutes will be allowed for members of the public to ask questions submitted under notice.</p> <p>The Council welcomes questions from members of the public about the work of this committee.</p> <p>Subject to meeting certain timescales, questions can relate to general issues concerned with the work of the Committee or an item which is on the Agenda for this meeting. For full details of the procedure for submitting questions please contact the Democratic Services Section on the numbers given below or go to www.wokingham.gov.uk/publicquestions</p>	
25.		<p>MEMBER QUESTION TIME To answer any member questions</p>	
26.	None Specific	<p>CHANGE OF WORDING OF PENSION SCHEME EMPLOYER DISCRETIONS STATEMENT OF POLICY To consider a change of wording of the Pension Scheme Employer Discretions Statement of Policy.</p>	7 - 26
27.	None Specific	<p>GENDER PAY GAP REPORT To receive the Gender Pay Gap report.</p>	27 - 36
28.	None Specific	<p>EXCLUSION OF THE PUBLIC That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for</p>	

the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12A of the Act (as amended) as appropriate.

29. None Specific

AGENCY WORKER USAGE

37 - 42

To receive an update on agency worker usage.

Any other items which the Chairman decides are urgent

A Supplementary Agenda will be issued by the Chief Executive if there are any other items to consider under this heading.

CONTACT OFFICER

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Democratic & Electoral Services Specialist

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**MINUTES OF A MEETING OF THE
PERSONNEL BOARD
HELD ON 4 NOVEMBER 2019 FROM 6.00 PM TO 6.20 PM**

Committee Members Present

Councillors: John Halsall (Chairman), John Kaiser (Vice-Chairman), Lindsay Ferris, Clive Jones and Simon Weeks

Officers Present

Madeleine Shopland, Democratic and Electoral Services Specialist
Sarah Swindley, Lead Specialist HR

13. APOLOGIES

Apologies for absence were submitted from Councillors Carl Doran and Pauline Helliard Symons.

14. MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Committee held on 1 July 2019 were confirmed as a correct record and signed by the Chairman.

15. DECLARATION OF INTEREST

A Personal declaration of interest was submitted from Councillor John Kaiser regarding Item 19 Exercising of Pension Discretions, on the grounds that he was a member of the Pensions Board.

16. PUBLIC QUESTION TIME

There were no public questions.

17. MEMBER QUESTION TIME

There were no Member questions.

18. EXCLUSION OF THE PUBLIC

RESOLVED: That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12A of the Act (as amended) as appropriate.

19. EXERCISING OF PENSION DISCRETIONS

The Board considered a report regarding the exercising of pension discretions.

RESOLVED: That the recommendation set out in Part 2 be agreed.

20. AGENCY WORKER USAGE

The Board considered a report regarding the Council's use of agency workers.

RESOLVED: That the recommendation set out in Part 2 be agreed.

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Agenda Item 26.

TITLE Change of Wording of Pension Scheme Employer Discretions Statement of Policy

FOR CONSIDERATION BY Personnel Board on 27 February 2020

WARD None Specific

LEAD OFFICER Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

Attractive employee benefits that enable recruitment and retention of workforce therefore enabling us to deliver effective services to the community

RECOMMENDATION

That we alter the wording on our Employer Discretions Statement of Policy to enable the salary sacrifice scheme to be implemented without contradicting our own policy.

SUMMARY OF REPORT

That the Personnel Board approve a change to the wording in our Pension Scheme Employer Discretions Statement of Policy to enable a Shared Cost Additional Voluntary Contribution Arrangement to be implemented. This will save both employees and the Council money through being able to reclaim National Insurance contributions.

Background

The Council offers a scheme of Additional Voluntary Contributions (AVC) run by Prudential which allows employees to top up their local government pension upon retirement. Income tax is recoverable by the employee on their AVC contributions.

We are proposing a change to the way AVC's are managed. The intention is to use a company called AVC Wise www.avcwise.co.uk to manage our salary sacrifice scheme through Prudential. As well as providing tax benefits to the individual, AVC Wise will manage the scheme so that there will also be a reduced National Insurance (NI) cost for both the individual and the Council. We are able to reclaim National Insurance as well as tax by entering a Shared Cost Additional Voluntary Contribution Arrangement (SCAVC). In other words, if the Council contributes to the employee's AVC fund (a contribution which is 'shared' between the employee and the Council), we can also reclaim NI, which we cannot do if the contribution comes solely from the employee.

Analysis of Issues

Our Pension Scheme Employer Discretions Statement of Policy currently states that we cannot implement a SCAVC so we would need to change the wording on this to enable the changes to the AVC scheme to take place. The Statement of Policy dates from 2014 and the thinking at the time was that the Council already paid employee pension scheme contributions and would not also contribute to AVCs.

We learnt in 2019 that there is also scope for employees and the Council to reclaim National Insurance contributions as well as tax by implementing a SCAVC. The way to maintain the spirit of our 2014 policy, that the Council will not face a loss if employees join the AVC scheme, is to limit the Council's contribution to £1.00 per employee per month, which is less than the Council will reclaim through NI contributions. By changing to a salary sacrifice scheme, employees will save 12% of the value of their salary sacrifice, and the Council will save 14.3% of the value of the salary sacrifice (excluding an administration fee to AVC wise).

Currently, only 2.3% of our LGPS members pay AVC's. As things stand, the Council would save a net figure (after the admin fee was deducted) of approximately £10,000 per annum. AVC Wise will take responsibility for promoting AVC's and they believe, based on previous figures with other Councils, that with active promotion they can raise participation to 7.5% of LGPS members. If this level is approached, this will mean a net saving for the Council of about £30,000 each year.

As this related policy change needs to be ratified by the Personnel Board, we are asking you to agree it in order to ensure that our Pension Scheme Employer Discretions Statement of Policy is up to date in relation to our new approach.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	(£10,000 - £30,000)	n/a	n/a
Next Financial Year (Year 2)	(£10,000 - £30,000)	n/a	n/a
Following Financial Year (Year 3)	(£10,000 - £30,000)	n/a	n/a

Other financial information relevant to the Recommendation/Decision
See above

Cross-Council Implications
n/a

Public Sector Equality Duty
Please confirm that due regard to the Public Sector Equality Duty has been taken and if an equalities assessment has been completed or explain why an equalities assessment is not required. An Equalities assessment has been undertaken.

Reasons for considering the report in Part 2
n/a

List of Background Papers
1) Equalities Impact Assessment 2) Amended Statement of Policy

Contact Sarah Swindley	Service Business Services
Telephone No Tel: 0118 974 6076	Email sarah.swindley@wokingham.gov.uk

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Change of wording to Pension Scheme Employer Discretions Statement of Policy

Equality Impact Assessment

Name of proposal/activity/policy to be assessed

Pension Scheme Employer Discretions Statement of Policy.

Directorate: All

Service: All

Who compiled the assessment?

HR

Date of assessment: January 2020

Policy being assessed

The wording relating to Shared Cost Additional Voluntary Contributions in our Local Government Pension Scheme Employer Discretions Statement of Policy.

What is the Change Seeking to Achieve?

We have asked the Personnel Board approve a change to the wording in our Pension Scheme Employer Discretions Statement of Policy to enable a Shared Cost Additional Voluntary Contribution Arrangement to be implemented. This will save both employees and the Council money through being able to reclaim National Insurance contributions.

The current wording in our Employer Discretions Statement of Policy is below:

Regulation 17(1) – Additional Voluntary Contributions

The Regulations provide: that 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.

Wokingham Borough Council Policy

No SCAVC scheme should be instituted.

We propose changing the wording in the Wokingham Borough Council Policy section to:

No SCAVC scheme should be implemented unless this is a notional cost to enable a SCAVC arrangement, which benefits both the individual and the Council, to be in place.

Who are the main stakeholders and what do they want?

The main stakeholders are the employees who currently pay into our AVC scheme, and any that may start paying into it in future.

WBC policies and processes ensure that no staff member is treated adversely due to racial group, gender, sexual orientation, disability, age, marital status or religious belief. The change in our policy to make AVCs part of a shared cost scheme will not impact, either directly or indirectly, such protected characteristics as each employee is equally able to pay into the scheme.



WOKINGHAM
BOROUGH COUNCIL

EMPLOYER DISCRETIONS - STATEMENT OF POLICY LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2013

The Employing Authority known as Wokingham Borough Council resolved, at a meeting of the Personnel Board on 17 November 2014 that the following regulations, contained in the above Statutory Instrument, and subsequent amendments, should be implemented as set out below. This written statement of policy is in relation to its exercise of certain discretionary functions available under the Local Pension Scheme Regulations 2013. Wokingham Borough Council 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 policy in accordance with Regulation 60 of the Local Government Pension Scheme Regulations 2013

Regulation 16 — Additional Pension Contributions

The Regulations provide: that an 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.

Wokingham Borough Council Policy

The Council will not use this discretion to fund employees' APCs.

Regulation 30(6) — Flexible Retirement

The Regulations provide: that 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

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.

Wokingham Borough Council Policy

Where the benefits are to be actuarially reduced or there are no additional costs to the Council, approval need only be obtained from the Director of the Service and the Director of Finance and Resources.

Members consent is required where an employee makes a request for the reduction of benefits to be waived. This means that where there is an additional cost to the Council Personnel Board approval must be obtained.

Regulation 30(8) — Waiving of Actuarial Reduction

The Regulations provide: 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.

Wokingham Borough Council Policy

Members may use their discretion to waive the reduction of benefits to e.g. enable the Council to retain key skills in posts that are difficult to recruit to; in the case of an employee with responsibilities for care or for individuals with ill health (other than where ill-health retirement applies) or disability. The Council's policy is that additional benefits will only be released where exceptional circumstances apply.

Regulation 31 — Award of Additional Pension

The Regulations provide: that 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.

Wokingham Borough Council Policy

The Council will not apply this Regulation 31 discretion to award additional pension.

Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014

Schedule 2 — paragraphs 2 and 3

The Regulations provide: that 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

Wokingham Borough Council Policy

The discretion to "switch on" the 85 year rule will only be used where there will be a financial or other benefit to the employer or in exceptional circumstances judging each case on its merits.

Members will need to consider the financial and other reasons for using this discretion and a strong business case must be stated in a report to members. The Personnel Board must approve any recommendation for any additional payment.

PART B — Formulation of RECOMMENDED policy in accordance with the Local Government Pension Scheme Regulations 2013

Regulation 9(1) & (3) — Contributions

The Regulations provide: that 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.

Wokingham Borough Council Policy concerning the re-determination of active members' contribution bandings at any date other than 1st April

The Council provides that (except in exceptional circumstances or where the employee requests a review as a result of a change in employment or material change in pensionable pay) employee contributions will be calculated on pensionable pay as at the 1st April each year.

Regulation 17(1) — Additional Voluntary Contributions

The Regulations provide: that 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.

Wokingham Borough Council Policy

No SC~~A~~VAC scheme should be ~~instituted~~ implemented unless this is a notional cost to enable a SCAVC arrangement which benefits both the individual and the Council to be in place.

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

The Regulations provide: that 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.

Wokingham Borough Council Policy concerning merging of Deferred Member Pension Accounts with Active Member Pension Accounts

An election must be made by an active member within 12 months from the date that the member re-joins the Local Government Pension Scheme.

Regulation 100(6) — Inward Transfers of Pension Rights (see guidance note 10 in employer's guide)

The Regulations provide: that 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).

Wokingham Borough Council Policy

The Council provides that an active scheme member may request to transfer into the Local Government Pension Scheme relevant pension rights held elsewhere. The member must request the transfer rights within 12 months of becoming a member of the Local Government Pension Scheme (or in exceptional circumstances such longer period at Members' discretion where there is no financial risk to the Council subject to the administering authority's agreement). It is recognised that all the process should be initiated within 12 months, however in some circumstances it may take longer to complete the process.

Regulation 21 (5) — Assumed Pensionable Pay (see guidance 11 in employer's guide)

The Regulations provide: that 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.

Wokingham Borough Council Policy concerning inclusion of 'regular lump sum payments' in assumed pensionable pay calculations

Regular lump sum payments will be included in the calculation of assumed pensionable pay, as regular lump sum payments are currently deemed to be pensionable.

Regulation 74 — Applications for Adjudication of Disagreements

The Regulations provide: that 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: Local Government (Early Termination of employment) (Discretionary Compensation) (England and Wales) Regulations 2006. SI no 2914.

The Regulations apply in relation to a person (a) whose employment is terminated —

- (i) by reason of redundancy,
 - (ii) in the interests of the efficient exercise of the Council's functions,
 - (iii) in the case of a joint appointment because the other holder of the appointment has left itⁱ
- (b) who, on the termination date, is
 - (i) employed by the Council, and
 - (ii) eligible to be a I-GPS member (whether or not he is such a member)
 - (iii) whose termination date is on or after 1st October 2006.

Regulation 5

The Regulation provides: the Council with the discretionary power to waive the weekly pay ceiling placed on statutory redundancy payments and to calculate, instead, on pay up to the actual week's pay.

Wokingham Borough Council Policy

That all redundancy payments will be calculated on the basis of actual week's pay.

Regulation 6

The Regulation provides: a discretionary power to award a one-off lump sum payment of up to, but not exceeding, two years' pay (104 weeks), inclusive of any redundancy payment made, in the circumstances described above.

Wokingham Borough Council Policy

The Council retains its discretion to pay an additional lump sum payment. No discretionary payment will be made to an employee with less than 2 years qualifying service.

In the case of redundancy this would be in addition to, but inclusive of, a redundancy payment. It is Council Policy that no additional lump sum severance pay under

This refers to the old practice of jointly appointing two people under a single contract (e.g. a husband and wife team to run a children's home). It does not relate to job shares i.e. where one or more people have separate contracts to share some or all of the duties of the post.

Regulation 6 Discretionary Payments Regulations will be payable where the reason for redundancy is the need to make savings, due to the costs to the revenue account.

Members will need to consider the financial and other reasons for using this discretion and a strong business case must be stated in a report to members. The Personnel Board must approve any recommendation for any additional payment.

The Teachers' Pensions Regulations 1997

and

The Teachers' (Compensation for Redundancy and Premature Retirement) Regulations 1997 and The Teachers' (Compensation for Redundancy and Premature Retirement) (Amendment) Regulations 2006

EMPLOYER DISCRETIONS SCHOOL BASED STAFF

For support staff the discretions referred to in the earlier part of this policy document apply, but note the detail below regarding deciding and compensating authorities. The information below relates to teaching staff.

(a) Deciding and Compensating Authorities

For Local Authority (LA) maintained schools with a delegated budget the governing body is the deciding authority and the LA is the compensating authority. This covers all staff in all schools with a delegated budget, regardless of the status of the school.

LAS have the power to deduct the costs from the school budget where they have not agreed to the compensation being made

(b) Premature Retirement

Premature retirement is retirement before normal pension age (60 or 65 for those new to teaching after 1st January 2007) by reason of redundancy or in the interests of the efficient exercise of the employer's functions. Premature retirement is not permitted before the age of 50 (new teachers and some returning to teaching after 1st January 2007 must be 55 before they are eligible and 55 will be the minimum age for all teachers after April 2010).

Premature retirement is a discretionary matter; it is not an automatic right.

A teacher may be entitled to benefits from two sources as described below.

The Teachers' Pensions Regulations 1997

In this case T PS pay the actuarially reduced benefits based on length of pensionable service and final salary. The employer pays an amount equal to the amount by which the pension is actuarially reduced - mandatory compensation.

Wokingham Borough Council policy

That agreement to provide unreduced pension under these regulations will only be given in the most exceptional circumstances either as a result of very difficult domestic circumstances or where a governing body can demonstrate sound financial reasons for proposing agreement. The Personnel Board must approve any recommendations from the governing body for agreement to pay unreduced pension. Officers will comment on any recommendations in the report from the governing body before it is presented to the Personnel Board.

The Teachers' (Compensation for Redundancy and Premature Retirement) Regulations 1997 and The Teachers' (Compensation for Redundancy and Premature Retirement) (Amendment) Regulations 2006

These regulations enable an award of extra benefits to the retiring teacher. This is to compensate for pension benefits the teacher could otherwise have expected to earn up to normal retirement age, subject to certain limits.

The enhancement by way of added years cannot exceed the shortest of the following:

- Ten years
- The total length of the teacher's existing service
 - > Such as would bring the teacher's service up to the age of 65, including any periods of compensation which they may have previously been credited
- The difference between the teacher's service and 40 years

Teachers may be credited with additional service provided:

- They are eligible for participation in TPS (though they may be opted in or out)
- They are aged at least 50 but under 65 when employment is terminated
- They have served at least 5 years as a teacher eligible for participation in
- They are in relevant employment

Wokingham Borough Council policy

That no enhancements will be approved under these Regulations except in cases of very difficult domestic circumstances or where a governing body can demonstrate sound financial reasons for proposing agreement. The Personnel Board must approve any recommendations from the governing body for any additional payment. The LA will comment on any recommendations in the report.

(c) Redundancy payments

All teachers who are dismissed by reason of redundancy are entitled to a payment under the Employment Rights Act 1996 providing they have two years continuous service with organisations included in the Redundancy Payments (Continuity of Employment in Local Government) (Modification) Order 1999.

The maximum additional payment in these circumstances is the difference between the redundancy payments to which the teacher is entitled under the 1996 act and the redundancy payments he/she would have received if the upper earnings limit set under the Act had not been applied. This has the effect of calculating a week's pay on actual salary rather than the statutory upper earnings limit.

Wokingham Borough Council policy

That all redundancy payments will be calculated on the basis of actual week's pay.

(d) Severance payments

The regulations introduce a provision to pay severance payments to teachers who leave service under age 50, or to teachers aged between 50 and 60, as an alternative to premature retirement. These payments are not available to teachers who have reached age 60 (and so are automatically entitled to take their retirement benefits) or to those who have been re-employed after taking premature retirement

Severance payments can be paid to teachers leaving the service either on the grounds of redundancy or on the grounds of the 'efficient discharge of the employer's functions'. They may be paid in addition to a redundancy payment or they may replace a redundancy payment. However if the employer pays both, the amount of redundancy payment reduces the maximum sum payable as a severance payment.

The award of a severance payment is discretionary and the maximum employers can choose to pay is up to 104 weeks' salary.

Wokingham Borough Council policy

That no severance payments will be approved under these Regulations except in cases of very difficult domestic circumstances or where a governing body can demonstrate sound financial reasons for proposing agreement. The Personnel Board must approve any recommendations from the governing body for any additional payment. The LA will comment on any recommendations in the report.

Guidance Note:

Making discretionary payments increases the costs to the Council. Members will need to consider the financial and other reasons for using this discretion and a strong business case must be stated in a report to members. The Regulations specify that an employing authority must have regard to the extent to which the exercise of their discretionary powers (in accordance with its policy), unless properly limited, could lead to a serious loss of confidence in the public service and can be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

WOKINGHAM BOROUGH COUNCIL 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 Wokingham Borough Council:

Name: Andrew Moulton

Job Title: Head of governance and Improvement Service

Full Address: Wokingham Borough Council
P.O. Box 150,
Shute End, Wokingham, Berkshire

Post Code: RG40 IWQ

Tel No: 07747 777298

Email: Andrew.moulton@wokingham.gov.uk

Adjudicator's Signature: *A.J. Moulton*

Date: RBI 11/14 .

Note: Regulation 17.1 – Additional Voluntary Contributions – amended in MONTH 2020 to enable Shared cost Additional Voluntary Contributions to be implemented when there is a benefit for both the employee and the Council.

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Agenda Item 27.

TITLE Gender Pay Gap report

FOR CONSIDERATION BY Personnel Board on 27 February 2020

WARD None Specific

LEAD OFFICER Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY
Compliance with statutory requirements
RECOMMENDATION
To note the Gender Pay Gap report that will be published before 31 March 2020.
SUMMARY OF REPORT
Members are asked to note the Gender Pay Gap report that will be published on our website before 31 March 2020 and the associated planned actions.

Background

Gender pay gap requires employers with 250 or more employees to publish various figures to demonstrate how large the pay gap is between their male and female employees. As a public sector organisation this demonstrates our compliance under the Public Sector Equality Duty.

Attached is Wokingham Borough Council's report which has to be published no later than 31 March 2020. The data is a snapshot in time and explained in the report.

Analysis of Issues

Table 1 shows the figures since reporting commenced in 2017

	2017	2018	2019
Mean	14.71%	13.88%	15.23%
Median	28.51%	26.27%	25.84%

Our flexible working policies and significant opportunities for part time working, primarily in roles within the lower pay quartiles, means that we are attractive as an employer to primary carers, who in the main continue to be women. In addition to this, Wokingham Borough Council has outsourced the majority of roles that attract lower pay male workers. The situation is unlikely to change significantly unless there is a society shift with more men taking on the primary carer role and seeking part time work.

However, this does not mean we should not be proactive in our efforts to reduce the pay gap and our Equality Action Plan which is reviewed annually assesses pay alongside all other employment factors and other protected characteristics to ensure that the work place is discrimination free for all. Further examination of this years' statistics will be undertaken by our Employment Equality Working Group to determine the actions to be taken in the coming year.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Nil	n/a	n/a
Next Financial Year (Year 2)	Nil	n/a	n/a
Following Financial Year (Year 3)	Nil	n/a	n/a

Other financial information relevant to the Recommendation/Decision
n/a

Cross-Council Implications
None

Public Sector Equality Duty
Please confirm that due regard to the Public Sector Equality Duty has been taken and if an equalities assessment has been completed or explain why an equalities assessment is not required. No equalities impact assessment is required as this is a statutory report with no decisions to be taken

Reasons for considering the report in Part 2
N/A

List of Background Papers
Attachment 1 – Gender Pay Gap Report 2019

Contact Sarah Swindley	Service Business Services
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Gender Pay Gap 2019



**WOKINGHAM
BOROUGH COUNCIL**

Forward

Gender pay gap requires employers with 250 or more employees to publish various figures to demonstrate how large the pay gap is between their male and female employees. As a public sector organisation this demonstrates our compliance under the Public Sector Equality Duty.

Wokingham Borough council is committed to having a workplace where everyone is treated with dignity and respect and where equality of opportunity and choice is promoted for all employees. A diverse and inclusive workforce isn't just good for particular groups of employees – it's good for everyone.

We promote working hours and practices which are flexible and enable people to balance work and life in a sustainable way, therefore encouraging women to make their career in the public sector and supporting more women to balance external commitments on a flexible basis.

We also want to shape our community to ensure good growth, where nobody is left behind. Not only are we raising the aspirations of our workforce we are also supporting our wider community by encouraging educational attainment and developing a progressive apprenticeship strategy.

The value of inclusion and harnessing diversity should not be underestimated and we are proud of the opportunities available to all at Wokingham.

Susan Parsonage

Chief Executive

Introduction

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require Wokingham Borough Council to produce an annual report on the differences in aggregate pay and bonuses of men and women based on a snapshot of data on 31st March each year. This includes data for 'relevant employees' which relates to three groups of staff and workers at WBC. These are:

- Staff including those on permanent and fixed term contracts
- Casual workers who received pay during the reporting period (March 2019 payroll)
- Staff at our Pupil Referral Unit including those on permanent and fixed term contracts

Local authorities are not required to include school based staff in their Gender Pay Gap reporting.

Employers are required to report:

- The difference in the mean pay of full-pay men and women, expressed as a percentage
- The difference in the median pay of full-pay men and women, expressed as a percentage
- The difference in mean bonus pay of men and women, expressed as a percentage
- The difference in median bonus pay of men and women, expressed as a percentage
- The proportion of men and women who received bonus pay
- The proportion of full-pay men and women in each of four quartile pay bands

A positive percentage figure reveals that female employees have a lower average pay or bonus than male employees. A negative percentage figure reveals the opposite, i.e. male employees have a lower average pay or bonus than female employees.

It is important to understand that gender pay gap measures the difference between men and women's average earnings across the organisation. This is distinctly different from equal pay, as set out in the Equality Act 2010, which requires that men and women in the same employment performing the same, or similar, jobs of equal value receive equal pay.

Further information on the Gender Pay Gap is available at www.acas.org.uk/genderpay.

Wokingham Borough Council is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. We have a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). As such, we:

- carry out pay and benefits audits at regular intervals;
- evaluate job roles and pay grades as necessary to ensure a fair structure.

We are therefore confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather our gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

WBC Workforce Profile

Like most public sector employers, WBC has a workforce which comprises a wide and diverse range of skills from numerous industry sectors including front line service and support for adults and children, customer services, education, health, leisure, building control, planning and professional services.

At the time of reporting our 'relevant employee' workforce was made up of:

74% Female
(846)



26% Male
(294)

Ratio of 3:1

38% Part Time
(434)



62% Full Time
(706)

Ratio of 2:3

In addition to the Gender Pay Gap reporting requirements we have reviewed how the mean and median pay gap is reflected for our full time and part time workforces separately. All casual workers have been counted as part time. A significantly higher proportion of females (45%, 385 women) work part time compared to males (17%, 49 men).

Mean Gender Pay Gap

$$\text{Calculation} = \frac{\text{Mean Average Pay for Men} - \text{Mean Average Pay for Women}}{\text{Mean Average Pay for Men}} \times 100$$

The mean gender pay gap at WBC is **15.23%**

The mean gender pay gap for full time workers at WBC is **11.04%**

The mean gender pay gap for part time workers at WBC is **11.41%**

National average mean gender pay gap (October 2019 Office for National Statistics Annual Survey of Hours and Earnings) is **16.2%**

Median Gender Pay Gap

$$\text{Calculation} = \frac{\text{Median Average Pay for Men} - \text{Median Average Pay for Women}}{\text{Median Average Pay for Men}} \times 100$$

The median gender pay gap at WBC is **25.84%**

The median gender pay gap for full time workers at WBC is **18.5%**

The median gender pay gap for part time workers at WBC is **17.53%**

National average median gender pay gap (October 2019 Office for National Statistics Annual Survey of Hours and Earnings) is **17.3%**

Gender Bonus Gap

Wokingham Borough Council operates two bonus schemes:

- Performance Related Pay (PRP) for senior management
- Retention bonus for children's social work to support recruitment and retention

A note in relation to our gender bonus gap is that we only have one male employee within our senior management and children's social workers groups, who is part of our senior management team. This has resulted in a particularly high mean and median gender bonus gap as the senior team's bonus is higher than that of the retention bonus for children's social workers.

Mean Gender Bonus Gap

$$\text{Calculation} = \frac{\text{Mean Average FTE Bonus for Men} - \text{Mean Average FTE Bonus for Women}}{\text{Mean Average Bonus for Men}} \times 100$$

The mean gender bonus gap at WBC is **77.79%**.

The mean gender bonus gap at WBC for senior management PRP is **0%**

The mean gender bonus gap at WBC for social worker retention is **not possible to report as no male staff received this bonus during the reporting period.**

Median Gender Bonus Gap

Calculation =
$$\frac{\text{Median Average Bonus for Men} - \text{Median Average Bonus for Women}}{\text{Median Average Bonus for Men}} \times 100$$

The median gender bonus gap at WBC is **93.66%**

The median gender bonus gap at WBC for senior management PRP is **0%**

The median gender bonus gap at WBC for social worker retention is **not possible to report as no male staff received this bonus during the reporting period.**

Proportion of Men and Women who receive Bonus Pay

Calculation =
$$\frac{\text{Number of Men (or) Women receiving a bonus}}{\text{Number of Men (or) Women}} \times 100$$

Female	Male
1.74%	0.34%

Proportion of Men and Women in Quartile Pay Bands

	Female	Male
Lower	82.81%	17.19%
Lower Middle	78.25%	21.75%
Upper Middle	74.04%	25.96%
Upper	61.75%	38.25%

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