

# Agenda Item 6.

<b>TITLE</b>	<b>Pay policy statement and general HR/Organisation update</b>
<b>FOR CONSIDERATION BY</b>	Personnel Board on 4 November 2015
<b>WARD</b>	None Specific
<b>DIRECTOR</b>	Andy Couldrick: Chief Executive

## **OUTCOME / BENEFITS TO THE COMMUNITY**

Compliance with s38 of the Localism Act 2011  
Building the workforce for the future in order to deliver on Council priorities

## **RECOMMENDATION**

That

- 1) Personnel Board approve the draft Pay Policy Statement for 2015 and recommend its agreement to Full Council
- 2) Personnel Board note the appraisal process used within WBC
- 3) Personnel Board note the changes to the look and feel of our HR Policies & Guidance

## **SUMMARY OF REPORT**

### **1) Pay Policy Statement**

Under sections 38 to 43 of the Localism Act 2011 we are required to prepare, approve by full Council (as a Part 1 item), and publish on our website a pay policy statement for the financial year 2015/16. Appendix 1 is the Draft Pay Policy Statement for your review and approval prior to submission to Full Council. It has been reviewed by Shared Legal Services and purely reflects our current status.

### **2) Appraisal Process**

At Personnel Board on 8<sup>th</sup> April 2013 a presentation was provided with regard to the new Performance Framework that supported embedding a Coaching culture within the organisation (See appendix 2). We have just undertaken the 3<sup>rd</sup> cycle of dial setting within the organisation and there is a continued commitment to engaging our workforce in 'high challenge, high support' conversations that make a difference and drive our performance forward with regard to quality, efficiency and impact.

### **3) Update re HR Policies & Procedures**

The current look and feel of our Policies & Procedures are autocratic and do not reflect the empowerment and accountability that we wish to encourage with our Managers. We have therefore been working to address this and Personnel Board should note that:

- Some policies will become short easy to use Guides, removing a lot of the legal background which managers do not need to make informed decisions

- Policies will cover:
    - Legal requirements (e.g. Discipline)
    - Issues important to Council's strategy or operational effectiveness e.g. pay
    - Formal statements of a principal or rules that our employees must follow, e.g. Conduct
  - Guidance will be used when:
    - Providing advice on how to comply with legislation
    - Follow ACAS code of practice
  - Checklists, Pro-formas and templates will be reviewed and updated to be easier to complete and helpful to managers
- Examples of both the revised Guidance, and Policy are attached (Appendix 3)

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

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

### Other financial information relevant to the Recommendation/Decision

None

### Cross-Council Implications

No cross council implications with regard to the decision to publish pay policy which is a legal requirement

### Reasons for considering the report in Part 2

N/A

### List of Background Papers

Draft Pay Policy Statement for 2015  
 Presentation made to Personnel Board on 8 April 2013  
 Probation Guidance  
 Policy on Psychometric testing usage

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**Date** November 2015

**Version No.** 1



# Pay Policy Statement 2015

## Purpose

This document covers the requirements to publish a pay policy statement under s38 of the Localism Act 2011.

Full Council has approved the Pay Policy Statement.

## Appendix 1 – draft Pay Policy

Version	Date	Description
1	01/04/12	Annual Review
2	01/09/15	Updated to comply with regulations.

Document Approvals	
Author:	Sarah Swindley
Approval:	Personnel Board Full Council

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## 1. Purpose

- 1.1 Under sections 38 to 43 of the Localism Act 2011, we are required to prepare, approve by full Council (as a Part 1 item) and publish on our website, a pay policy statement for the financial year 2015/16.
- 1.2 We may amend this statement during the financial year in which it is effective; however any change must be approved by full Council. Any amended statement will be published on our website within 10 working days of the meeting.
- 1.3 In drawing up this statement, we have taken into account the guidance issued by the Department of Communities and Local Government and the advice supplied jointly by the Local Government Association and the Association of Local Authority Chief Executives (ALACE).
- 1.4 This statement does not include staff based in our schools as this is outside the scope of the legislation.
- 1.5 This updated statement was approved by full Council on *insert date*.

## 2. Definitions used in this document

- 2.1 Under the current structure of the Council, the following posts are included in the definition of 'Chief Officer':
  - Chief Executive
  - Director, Finance & Resources (S151 Officer)
  - Director, Children's Services
  - Director, Environment
  - Director, Health & Wellbeing
- 2.2 Although falling within the definition of Chief Officer under the Localism Act, the pay policy applying to the following posts is as set out in Section 3 below for Senior Managers:
  - 
  - Consultant in Public Health
  - Head of Adult Social Care & Safeguarding
  - Head of Children's Social Care & Intervention
  - Head of Commercial Services
  - Head of Community Services
  - Head of Customer Services & IMT
  - Head of Development Management & Enforcement
  - Head of Development Policy & Planning
  - Head of Finance
  - Head of Governance & Improvement Services (Monitoring Officer & Returning Officer)
  - Head of Highways & Transport
  - Head of Housing
  - Head of Integrated Mental Health
  - Head of Learning & Achievement

## Appendix 1 – draft Pay Policy

- Head of SDL Delivery
- Head of Strategic Commissioning
- Head of Support Services
- Head of Town Centre Regeneration

- 2.3 Employees who are not chief officers; all other employees (including those employed on a casual basis) employed directly by the Council.

This policy does not cover the remuneration of other ‘workers’ employed by the Council, as employees of agencies or as self-employed consultants.

- 2.4 Lowest paid employee; minimum of grade 1 on the Council’s pay scales (£14,075 per annum full time (37 hours per week) or £7.29 per hour).

Apprentices aged 16-18, may be paid on the age-related National Minimum Wage. The Apprentice NMW rate is not used. Apprentices have been excluded from this definition on the basis that they are in specific posts created for training purposes.

- 2.5 Median salary; £23,698 (full-time equivalent). This is a measure of the ‘average’ salary for employees in the Council. It is defined as the ‘midpoint’ salary, such that there is an equal probability of falling above or below it.

- 2.6 Mean salary; £28,009 (full-time equivalent). This is an alternative measure of the ‘average’ salary for employees in the Council. The arithmetic mean is defined as the sum of all the salaries divided by the number of salaries.

- 2.7 Highest paid employee: the Chief Executive is paid £130,000 plus potential to earn a further 10% linked to performance related pay.

### 3. Pay Policy from April 2015

#### 3.1 Policy on level and elements of remuneration for Chief Officers

- 3.1.1 The Council benchmarks its pay rates against relevant comparator groups. For Chief Officers the Council pays “spot salaries” (i.e. no incremental range) and seeks to position itself appropriately in the market in terms of pay.

Their salary is increased by nationally negotiated increases agreed by the:

- Joint Negotiating Committee (JNC) for Chief Executives and;
- Joint Negotiating Committee (JNC) for Chief Officers

Similarly, terms and conditions agreed nationally by these bodies are also applied, with local variations as appropriate

- 3.1.2 There is a performance related pay (‘PRP’) scheme for Chief Officers, approved by the Personnel Board and based on an assessment of performance against objectives.

- 3.1.3 Salary upon appointment will be made in line with 3.1.1

## Appendix 1 – draft Pay Policy

3.1.4 In accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Recommended Practice for Local Authorities on Data Transparency, we publish annually the remuneration of our senior staff on our [website](#).

### 3.2 Policy on level and elements of remuneration for Senior Managers

3.2.1 Heads of Service report to either a Director of the Chief Executive. There are 4 levels, dependent upon responsibility as determined by budgets, headcount and impact on front line service delivery:

SM1: £52,248 to £57,365  
SM2: £58,508 to £64,599  
SM3: £65,890 to £72,753  
SM4: £74,208 to £78,418

3.2.2 Payment arrangements for local returning officer are in line with the “Dorset Scheme” developed by Dorset County Council and updated annually in line with any pay increase agreed by the National Joint Council (NJC) for local government services.

3.2.3 All other terms and conditions are in line with all other employees and described in 3.4 onwards.

### 3.3 All other employees

3.3.1 The Council applies the national pay agreements reached by the:

- National Joint Council (NJC) for Local Government Services
- National Joint Council (NJC) for Youth & Community Services
- Soulbury Committee

3.3.2 Local variations are applied as appropriate.

3.3.3 All jobs below Head of Service (excluding those covered by national Youth & Community and national teaching-related Soulbury grades) are evaluated using the Peodosy job evaluation system.

3.3.4 All jobs are assigned to a grade within the Wokingham Borough Council salary structure on the basis of the job evaluation score. The Council benchmarks its pay rates against a comparator group and will seek to position itself appropriate to the market in terms of pay.

### 3.4 Salary on appointment

3.4.1 Appointments will normally be made to the minimum point of the grade. Managers may take into account the previous experience and skills of the employee to offer appointment above the salary minimum for the post.

### 3.5 Incremental progression

3.5.1 Each of the Grades has a series of incremental steps, progression within which is subject to satisfactory performance. Increments can be withheld in the event of unsatisfactory performance.

## Appendix 1 – draft Pay Policy

3.5.2 Progression by more than one increment, up to the maximum of the grade, can be made in acknowledgement of exceptional performance.

### 3.6 Additional payments – all employees

3.6.1 The Council will consider the use of market supplements to be applied to specific posts in the event of recruitment and /or retention difficulties. Where such supplements are introduced they will be applied, reviewed and withdrawn in accordance with the Council's policy.

3.6.2 Additional payment may be made for additional hours, overtime, undertaking higher responsibilities, and for non-standard working arrangements such as stand-by or evening work, or for exceptional working conditions.

3.6.3 All employees can claim for qualifying payments under our travel & expense policy.

## 4. Policies on redundancy and pension enhancement

4.1 Our Policies and Procedures for Organisational Change, Retirement and Employer Discretions outline how we will approach redundancy including redundancy pay

4.2 We calculate redundancy pay using the individual's actual weekly salary.

4.3 We do not enhance the number of statutory week's redundancy pay an individual is entitled to under the Employment Rights Act 1996.

4.4 The Local Government Pension Scheme contains provision for employers to enhance pension payments. Employers are required to determine how they will use these discretionary provisions. We have determined generally not to use our discretion to enhance pension payments by either additional years or additional pension.

4.5 In certain circumstances, eligible employees may request early retirement or flexible retirement. (Flexible retirement gives access to accrued pension, whilst allowing the scheme member to continue working). In both these cases, there must be sufficient financial or other benefit to the Council for such retirements to be approved and if there is a cost associated with the request, approval sought from the Personnel Board.

## 5. Pay ratios in the Council

5.1 It is the policy of the Council to ensure that the ratio of the salary of the highest paid officer and the lowest paid officer is well below the 20:1 ratio recommended as a maximum in the terms of reference for the 2011 Hutton Review of Fair Pay in the Public Sector.

5.2 As at 1st April 2015, pay ratios within the Council stand as follows;

- Highest : lowest = 10:1
- Highest : median = 6:1

5.3 This is based on the following salary packages;

- Highest paid (Chief Exec (incl. max PRP) = £143,000
- Lowest paid (Grade 1 SCP 9) = £14,075
- Median (average) = £23,698

## 6. Review

- 6.1 This policy will be reviewed at least annually and more frequently if necessary to respond to any changes.
- 6.2 The Personnel Board is responsible for recommending the policy statement for approval

## 7. Other relevant Council documents

### **Policies & Procedures relating to:**

- Travel Expenses
- Retirement
- Honoraria
- Market Supplements
- Overtime
- Pension's discretions
- Organisational Change

### **Pay Scales relating to:**

- National Joint Council (NJC) for Local Government Services
- National Joint Council (NJC) for Youth & Community Services
- Soulbury Committee

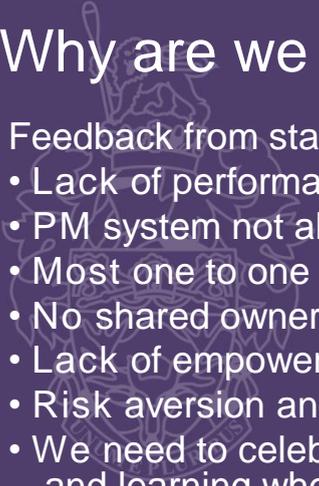


# Performance Improvement Overview

“An Art not a Science”



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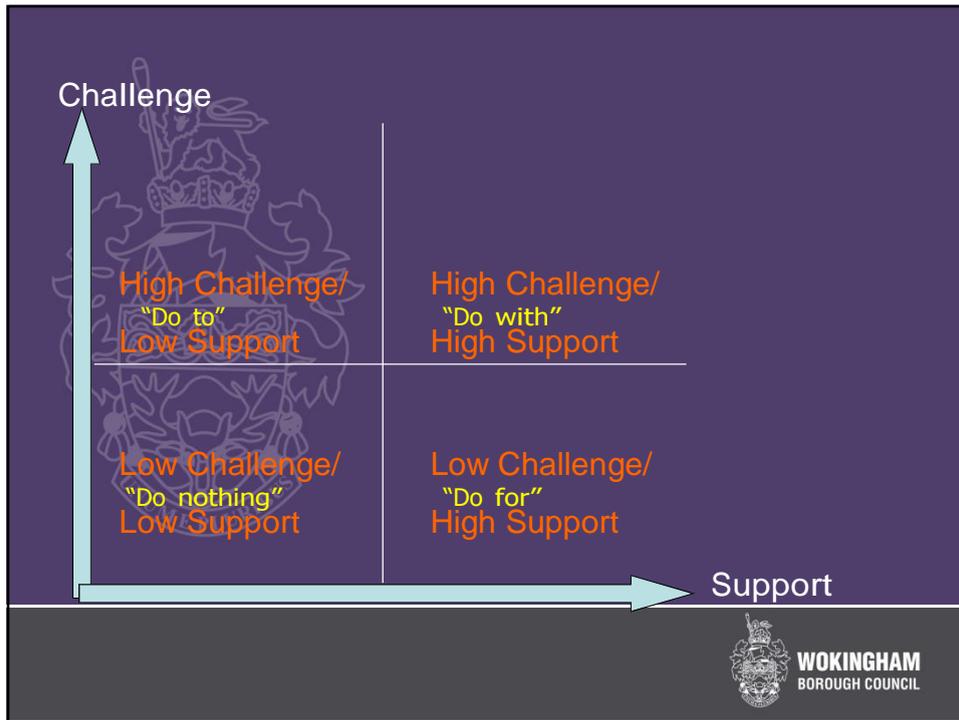
## Why are we doing it?

Feedback from staff in 2011 Cultural Web survey

- Lack of performance management
- PM system not always fair and robust
- Most one to one meeting focus on tasks
- No shared ownership / accountability
- Lack of empowerment
- Risk aversion and over management
- We need to celebrate success; doing things well and learning when we don't
- It's the conversation that counts \_ \_ \_



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## A Definition of "high support"?

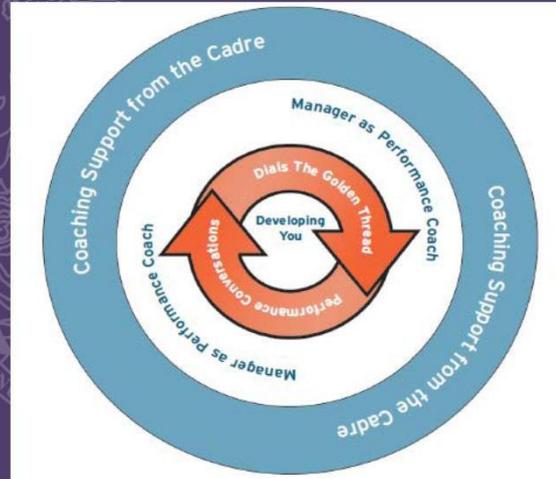
"Supporting another in making progress toward a preferred future"

- Progress – moving forward
- Progress – small steps, within next 72 hours
- A "preferred future" – drawing towards
- Done in conversation – a conversation with a purpose



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## How does it all fit together?



## Where are we now?

- Managers attending workshops
- New documentation ready
- This year will be a 'hybrid year'
- Rolling out message within Services & teams

## What is it?

- Focuses on the conversation
- Focuses on the key priorities
- Owned by employee – created by 2 way conversation
- Uses ‘dials’ – to be on track



## Dials

10 maximum

- Values dials
- Team dials
- Individual dials

All linked via the ‘Golden Thread’



## Next steps

- Now – Leadership team to agreeing their dials
- They then agree their direct reports dials
- Etc, etc
- 2012 performance reviews – using current process
- To be completed by 31 May 2013



## Dials

- One Team
- Being Valued & Pride
- Trust & Respect
- Customer Service
- Personal & Professional Development
- Political Engagement (as applicable)
- Service & Project Outcomes (up to 3)
- Leadership & Management (people who manage others)
- Budget & VFM (Tier 1, 2 & 3 only)



## Example Dial – Political Engagement

- Drives open and active communication with Members, as appropriate to role
- Values and supports the work of elected members, and makes self available to meet, discuss, problem-solve with members
- Maintains a relationship of trust and respect with members
- Engages proactively in communicating with members on key issues
- Supports and enhances the skill and knowledge of elected members in the stewardship of their portfolios



## How?

### Example

- Strategic Director
  - Ensure effective management of Council's resources
- Service Manager
  - Ensure Service is delivered within agreed budgets
- Team Manager
  - Ensure all vacancies are reviewed for need when change occurs and consideration given to alternative ways for service delivery.
- Individual
  - Ensure all expense is absolutely necessary and if so procure in accordance with Corporate Procurement guidelines.



## In Summary

- Focus on conversation
- Focus on what is not going to plan to get it on course
- We are all responsible for our own performance
- We are all working to achieve the council's vision and know what part we play in this
- We are all learning



Any questions?





## Guide to Probation Periods

Our people are our greatest asset therefore we take recruitment and the initial induction and probation period very seriously. This is a period of flexibility for the employer and an important opportunity to carefully assess the performance and behaviour of a new employee and their fit within the organisation.

Probation periods are a reasonable period of time (normally 6 months', but can be longer). The exact period is stated in the contract of employment or offer letter, and frequent reviews of performance should be undertaken during the period.

Casual employees and those with a fixed-term contract of less than 6 months', will not be subject to a probationary period due to the nature of their employment.

### Assessment during the Probationary Period

Line managers should ensure that the probationary period is planned effectively so that new employees understand what the role entails and the key outputs and objectives that they are expected to meet during the probationary period, setting targets if applicable.

It is good practice, as with any employee, for supervision (also known as 121) meetings to take place on a regular basis at least on a 6-weekly basis, and for these to include conversations with the employee about their performance, attendance and conduct. During the probationary period it is even more important for this to be done in order to gain a good understanding of the performance and suitability, and to discuss any areas for concern in order to allow these to be addressed during the probationary period. This could involve additional training or support, where this has been requested by the employee or where it is felt this could help address the concerns. If an employee’s conduct is questioned during, the probationary period, the normal dismissal process can be undertaken, particularly where this relates to matters of gross misconduct.

These meetings should be recorded in writing by the manager and any concerns confirmed to the employee in writing throughout the period, to ensure clarity of the issues being discussed. The notes should be comprehensive to show both good performance that has been achieved or identify under performance (shortcomings) to ensure a full picture is given to determine whether they are successful in completing their probation or not. Additionally the notes should record, where problems exist, what support and training has been given to assist the probationer to meet the roles requirements. Managers should also alert their own Line Manager if they are concerned about a probationer’s performance.

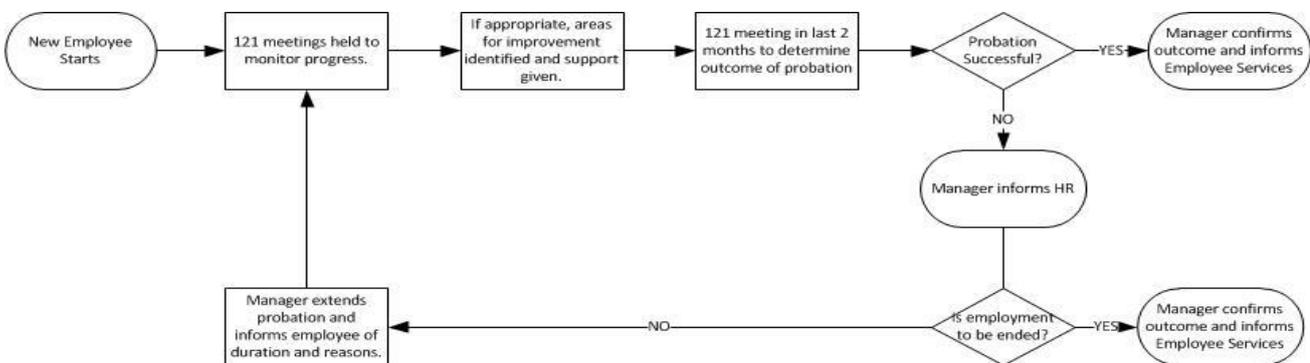
### At the End of the Probationary Period

In the last month of a probationary period, and before the last day of probation, it is important for the manager and employee to meet to determine the success of the probation. This should be an honest and open conversation about performance and suitability that leads to the outcome of the probation.

At this stage, there are three options available to the manager;

1. Confirm the appointment of the employee (successfully completed the probationary period)
2. Extend the probationary period (some areas of concern need more time to address or became apparent late in to the probation and so the employee did not have an opportunity to address them)
3. End the employment contract (confirm that the probation was not successfully completed and dismiss the employee)

Failure to review probation at the appropriate time will mean the probationer being confirmed in their post by default.



## **Confirming the Appointment**

If the employee has performed satisfactorily and there are no concerns about their suitability, then their appointment can be confirmed in writing. The manager will normally undertake this and provide a copy of the confirmation to HR to be placed on the employee's personal file.

## **Extending the Probationary Period**

If there is a question about the performance or suitability of the employee, as assessed during the initial probationary period, then the probation period can be extended for a reasonable period (normally 3-months).

Where this is the case, the employee must be notified in writing which will outline the shortcomings that have been identified. Wokingham Borough Council outlines within the employment contract that it reserves the right to extend the probationary period, however if this was removed for any reason then the manager will need the agreement of the employee to do so.

The probationary period should not be extended unnecessarily, and should only be where the employer has genuinely been unable to come to a decision in the initial probationary period. Where the probationary period is not extended, the employee will be taken to have completed his probation once his probationary period has ended.

## **Ending the Employment Contract**

Where a manager feels they have appropriately assessed the performance and suitability of the employee, and they can evidence that this did not meet the desired standards (normally through supervision and 121 notes which should detail areas of the shortcomings in the employees work performance and/or a poor attendance record), then the manager can dismiss the employee subject to the Head of Service approval under the delegated powers.

This should not come as a surprise to the employee as discussions should have taken place through the probationary period and they should have been given a reasonable opportunity with further training and support to address these areas of concern. Additionally the probationer will have a right of appeal and therefore it is very important that a fair process has been followed before the decision to terminate has been taken.

When a manager is considering ending the employment contract they must seek advice from HR to ensure this is undertaken using best practice.

## **Right of Representation**

An employee should be offered the right of representation when considering ending the employment contract or at an appeal. This can be a recognised trade union representative or work colleague.

## **Appealing against Dismissal**

Probationers will have the right to appeal the decision to dismiss them by submitting their grounds for appeal to the next most senior manager. Such appeals will follow the same process as outlined in the Discipline Policy.

The officer dealing with the appeal will need to satisfy themselves that the probationer was made aware of their shortcomings; offered suitable support and training and has been given every opportunity to reach the required standard before the decision was taken to dismiss them.

### **The Assessed and Supported Year in Employment (ASYE)**

Newly Qualified Social Workers (NQSW) under the ASYE programme will be subject to the above, but their probation will be assessed over a 12 month period. It is therefore equally important that, in addition to supervision meetings, records are maintained of progress made and support given under the ASYE programme, particularly where a NQSW is not performing to the standards required.

### **Further Information and Advice**

Further information, forms and template letters are available on the Grapevine. Further help and advice can be obtained through [hrenquiries@wokingham.gov.uk](mailto:hrenquiries@wokingham.gov.uk) via 0118 974 6116, or by contacting your HR Business Partner.



# Policy on Using Psychometric Assessment

We use psychometric tests to enhance the quality and quantity of information available for selection, development and training decisions and as an aid to organisational change. We are committed to the highest standards of practice in the use of all psychometric tests, in order to maximise the benefit of testing to the organisation and the individual, and to promote fairness and equality of opportunity for all.

It is the responsibility of all in HR and any other qualified Test Users to comply with is policy.

## Appendix 3 – Example Guidance & Policy

### Overall responsibility for testing standards

Wokingham Borough Council has accredited test users and they must ensure that they use tests to the highest professional standards and only as set out in this policy. Human Resources are responsible for ensuring that all test use is in accordance with these guidelines in order to maintain our accreditation. Only trained test users who hold the relevant qualifications may use and interpret psychometric instruments. Trained test users may delegate test administration to a person trained in this area.

### When should tests be used

Tests may be used for selection, development and counselling purposes. There are a variety of different tests available and you can select which one is most appropriate in discussion with the current qualified test users within Human Resources.

### Test choice & costs

All psychometric tests used must be clearly relevant to the given purpose and should therefore be used in conjunction with the Job Description & Person Specification for any selection or promotion procedures. The cost of testing differs depend on which test is selected. Any costs associated with using the Psychometric Assessment will be charged to the Hiring Managers cost centre and should be agreed in advance of Human Resources administering tests.

### Equal Opportunities

The organisation is committed to selection on merit and only measures which are clearly relevant to job demands and free of extraneous bias will be used. All assessments for selection and promotion will be monitored to ensure they do not unfairly exclude or disadvantage any section of the population. Whenever a disability prevents a suitably qualified individual from undergoing standard selection procedures, appropriate alternative arrangements for assessment will be found. Test Users should always contact the test publisher for advice before making any changes to test administration procedures.

### Test scores

Test scores must be interpreted on the basis of relevant norm groups. Fixed cut-offs may only be imposed where specific evidence of test relevance is available, e.g. job analysis, validation study. The interpretation of test scores is in accordance with the formula, which will be amended from time to time on the basis of ongoing validation results.

### Confidentiality and storage

Test results are kept by Human Resources in secure electronic files. A written interpretation of results are provided to relevant individuals and if for an existing employee, stored in the Managers employee file, and are destroyed if the employee leaves or after 3 years' whichever is sooner; or with the selection papers in Employee Services in a locked filing cabinet. Results over 12 months old are invalid for selection or promotion decisions and will be destroyed after 12 months.

### Responsibility to test takers

Wokingham Borough Council is committed to dealing fairly with all candidates to be tested. We will be open and honest about the use of tests, provide suitable practice materials and relevant feedback whenever tests are used.

## Appendix 3 – Example Guidance & Policy

### Retesting

For selection purposes a candidate's test results are valid for any similar position for 12 months from the date of testing. Candidates may be retested within a shorter period only at the discretion of the relevant budget manager and should supply details in writing supporting their application.

### Monitoring

Test monitoring forms are completed for each exercise involving test use and held in Human Resources. If more than 100 people are employed in a job category for which tests are used in selection, a validation study will be performed within three years from the commencement of the use of tests.

### Access to and storage of test materials

Computer-generated reports will be used to standardise and support interpretations. Only trained users can authorise the use of computer-generated reports in a testing process. Appropriate reports can be passed to candidates or line managers, but only with the provision of a named contact in case of questions.

Test users will ensure that all test materials are securely stored. An accurate log should be kept of all test materials held. The log should be updated whenever materials are removed, replaced or added to the store.

### Copyright

Under no circumstances should any test materials be photocopied or installed on a WBC computer without the test publisher's & IMT's express permission.

It is the responsibility of all test users to ensure that these guidelines are applied at all times. All deviations should be reported to the Head of Service who will take appropriate action. Human Resources will formally review the functioning of the guidelines after six months initially and then every two years. Suggestions for changes and amendments should be addressed directly to the Human Resources.

### Management guidelines

A Guide to using psychometric tests for managers is available on the Intranet.

### Appendix 3 – Example Guidance & Policy

Version	Date	Description
1	05/06/2014	New Policy to comply with Occupational testing requirements

Document Approvals	
Author:	<b>Sarah Swindley</b>
Director Finance and Resources:	<b>Graham Ebers</b>
Head of Support Services:	<b>Billy Webster</b>