

# Swale Borough Council

## Pay Policy Statement – January 2015

### 1. Introduction

The local government workforce strategy has five key themes, which are mirrored by our own local strategy:

- Organisational development;
- Leadership development;
- Skills development;
- Recruitment and retention; and
- Pay and rewards.

These strategic themes recognise the importance of pay and rewards in our role as an employer. Our work on pay and rewards began in 2010 with an equal pay audit resulting in significant changes to the Council's terms and conditions. The work continued through the implementation of the Work Force Strategy, and the development of a Total Rewards approach to remuneration for council staff.

Swale Borough Council has its own employment terms and conditions and undertakes local pay bargaining with UNISON; it is not connected to the Local Government Joint National Conditions (JNC) for any terms other than those that apply for the dismissal processes of Statutory Officers (Head of Paid Service, Section 151 Officer or Monitoring Officer).

### 2. Terms and Conditions – Decision Making

Terms and conditions for employees are a non-executive function, and the responsibility for decisions on these matters is delegated to the General Purposes Committee by full council. The terms of reference for this group are set out in the constitution as:

“to consider and make decisions on non-executive matters in respect of staff terms and conditions, and the pension scheme”.

The responsibility for agreeing the appraisal and remuneration of the Chief Officers lies with a sub-committee of this group. Senior appointments are also the responsibility of a sub-committee, although there is a process to ensure that there are no objections to the recommended candidate from any Cabinet members prior to the offer of a senior position.

Where the decision of the General Purposes Committee has a budgetary implication beyond the agreed in-year budget this will also require agreement from Cabinet.

### 3. Reward Strategy

The Reward Strategy was developed in full consultation with trade unions, staff, and Members and was agreed by the General Purposes Committee on 13 September 2010. This was a very thorough piece of work that ensured the Council managed the terms of employees at all levels in the same way, and applied the principles of equal pay and performance management to the scheme that was developed.

The principles for the reward strategy are to:

- (i) support a **performance** orientated organisation;
- (ii) provide an **attractive** employment package at all levels;
- (iii) be relevant to a **modern** local government authority;
- (iv) have a pay structure that is **transparent** and straightforward;
- (v) reward people **fairly** and consistently;
- (vi) move toward a **Total Reward** approach; and
- (vii) be **affordable** within the Medium Term Financial Strategy.

The reward strategy takes a 'Total Reward' approach to the benefits package received by employees at the Council to ensure that maximum benefit is gained from all aspects of what is on offer to employees. The key elements of this package are set out below.

#### 3.1 Pay Scale and Pay Progression

Our policy for pay grades within the organisation is to apply an objective assessment of the relative 'size and value' of all our roles using a formal job evaluation process. Posts are graded through the INBUCON Job Evaluation Scheme, and this process identifies the value or size of the role when all the duties are being performed and the employee is fully effective in the role. Job evaluators are drawn from different parts of the organisation and trained to use the INBUCON scheme; every panel has one trade union representative as part of the panel. The **Lowest Paid** employees are defined as those whose posts have INBUCON points of 100 to 120, which place them into grade 1 of the pay scale.

The pay scale has up to five increments per grade which recognise that with development in a role over time an employee is of more value to the organisation and therefore warrants a higher salary. The incremental steps are evenly spaced percentages throughout the scale. There are fewer incremental points in the lower grades and more in the more complex roles. New appointments to post will normally be at the first point of the grade, unless there is evidence of a skill shortage in line with the criteria set out in the Market Supplement Policy. The pay scale is set out at Appendix I (A).

The Council has a process of local pay consultation with UNISON to determine whether there should be an annual pay award, taking into consideration both inflation and affordability. In 2012/13 the pay consultation concluded with a two year pay agreement, which equated to a 1% pay award for each of the two years, but the increase to the pay scale was 'bottom loaded' so that lower grades received an

increase of more than 1% and the highest grades received no pay increase in 2013/14 and 0.5% in 2014/15.

Incremental progression is assessed against the agreed Competency Profile for the role and evidence of the necessary Performance Standards and agreed objectives. Assessment will be on an annual basis, but will be linked to the clear and continuous performance at the level required at each incremental step. The rules for pay progression are set out in Appendix I (B).

Incremental progression is assessed by an employee's line manager in consultation with the Head of Service and Director who has to approve the recommendations within their Directorate; this is monitored collectively by Senior Management Team. The process and timetable for appraisals and incremental progression for the Chief Executive and Directors is set out at Appendix I (C).

### 3.2 Market Supplements

The pay principles recognise that the Council needs to be an attractive employer whilst also balancing this with the needs to manage the budget and protect the public purse. Within local government there are several skill areas that have been extremely difficult over the years in terms of both recruitment and retention - this is particularly in fields where there are private sector employers competing for the same skills or in unattractive areas of work.

In order to be able to respond to recruitment difficulties the Council has a Market Supplement Policy which sets clear criteria for the agreement and retention of a market supplement. The Policy is at Appendix I (D). Currently there are 19 employees in receipt of Market Supplements, all working in either planning or environmental health. Following a review of the pay levels within the Council compared to market rates, the environmental health staff were notified that this supplement would be withdrawn. Planning roles have become increasingly hard to fill and it is likely that this supplement will need to continue to be used in future recruitment campaigns for this specialism.

### 3.3 Pension

The Council offers access to the Local Government Pension Scheme (LGPS), which is a significant benefit to employees and is one of the aspects of the Total Rewards package.

The LGPS is a defined benefits scheme which requires contribution rates from employees of between 5.5% and 12.5% depending on earnings, in accordance with the following table.

<b>Pensionable Pay is:</b>			<b>Contribution rate:</b>
£0	to	£13,500	5.5%
£13,501	to	£21,000	5.8%
£21,001	to	£34,000	6.5%
£34,001	to	£43,000	6.8%
£43,001	to	£60,000	8.5%

£60,001	to	£85,000	9.9%
£85,001	to	£100,000	10.5%
£100,001	to	£150,000	11.4%
£150,001 and above			12.5%

The employer contribution rate, calculated as the future service rate excluding past service deficit, is currently around 12.6 %, although this does vary from year to year.

The pension scheme is standard between all local government employers, and in broad terms offers a pension benefit equivalent to 1/49<sup>th</sup> of pensionable salary per year of service, where pensionable salary is calculated on a career average with benefits paid at state retirement age.

Although most of the rules associated with the scheme are set centrally, there are a few areas where local employers must define their own policy; the discretionary policy is attached at Appendix I (E). In broad terms it is not the policy of the Council to increase pension benefits to employees through any form of enhancement.

Kent County Council is the administering authority for the Swale Borough Council scheme.

### 3.4 Pay Protection and Redundancy Payments

The Council has a Redundancy Policy which sets out the approach that must be followed if posts are going to be affected because of organisational change. The procedure sets out the approval process and the consultation timetable; it also sets out the terms for redundancy and pay protection. The Pay Protection Policy is set out at Appendix I (F).

Any payments paid to an employee in relation to redundancy shall be in accordance with the statutory redundancy payments scheme and any other regulations applicable, except that the Council will calculate a week's pay on actual earnings where this is in excess of the statutory maximum figure. ***(Local Govt. (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2000).***

The policy of the organisation regarding re-employment following redundancy follow the NJC terms and conditions, i.e. if a redundant employee commences local government employment within one month of the redundancy then the redundancy payment must be returned. Any other re-employment will only be considered where all other Council rules on recruitment or procurement have been followed.

### 3.5 Other payments.

**Honoraria:** the council has a policy to recognise situations where an employee takes on more responsibility on a temporary basis; this is often as a cost saving measure when there is a vacancy, maternity leave etc. In 2014/15 there were five people in receipt of honoraria.

**Flexibility Allowances:** certain members of staff (below management grades) are required to work outside of normal council working patterns. To compensate them for this flexibility they are paid a 10% supplement to their salary. In 2014/15 there were fifteen people in receipt of this payment, including park rangers and street wardens; this is a reduction of twenty three from 2011/12. This allowance has been reviewed and agreement reached with trade unions that the allowance would not be paid in the future to any employees that were aware of the requirement for working 'unsocial' hours at the time they applied for the position; this is the main cause of the reduction of the number of people still in receipt of the allowance.

**Stand-by payments:** these are paid to a small number of employees (twenty in 2014/15) who are on an out-of-hours on-call rota for specialist duties such as collecting stray dogs or attending noise complaints. The level of remuneration is £50 for each week of being on-call.

**Bonuses:** the Council does not have a bonus system for any grade of staff.

**Car Payments:** the Council removed lease cars and lease car allowances in 2010. However, a car allowance of up to £1,239 is given to those employees that are required to have a vehicle for their role and that drive a minimum of 2,000 miles annually. As at the end of March 2014 this allowance was allocated to forty-seven members of staff. The majority of those staff in receipt of this payment are within the statutory services which require external visits e.g. planning, environmental health, and housing. Mileage rates for those receiving this allowance are set at the HMRC level (in 2013/14 this was 45 pence per mile).

### 3.6 Special fees and arrangements

Special fees may be paid for certain additional duties; in general these are connected to election duties and the funding for the allowance will not come from the Council's own budget. In most councils an additional fee is paid to the Chief Executive for the role of Returning Officer for the District elections; however, remuneration for this activity is incorporated into the Chief Executive's base salary where s/he is acting on behalf of the Council (eg borough elections). However, fees may be paid in addition to the base salary when the Chief Executive (or other officer) undertakes the role of Returning Officer, Counting Officer or other similar role, on behalf of another authority or organisation.

The Council has adopted the Kent schedule of fees, which is attached at Appendix I (G).

### 3.7 Other employee benefits

The Council provides access to an **Employee Assistance Programme** which provides staff with both telephone and face-to-face counselling on a range of issues. The Council has access to an Occupational Health Service that helps to ensure that employees are properly supported to avoid taking sick leave and to return to work as soon as possible.

The Council supports employees in their role with a **development plan and training opportunities** to ensure they are fully qualified and trained to give excellent service. The Council has been recognised for its development-focussed culture through the achievement of the Investors in People award.

On an annual basis the Council has an **Awards Ceremony** that recognises the best achievements of staff during the preceding year. This ceremony takes the form of a dinner and dance for nominees and partners; the cost of the occasion is off-set through sponsorship from local businesses and partners.

The Council offers a **salary sacrifice scheme** to employees for the purchase of bicycles and childcare vouchers. There is no cost to the Council of these schemes.

In 2014 the Council updated its **long service awards** scheme to include a wider range of employees. Small benefits (eg £25 shopping voucher) are given to those reaching ten years' service, and at five yearly intervals up to forty years' service. This form of recognition is in line with our Mid Kent Improvement Partnership (MKIP) partners.

#### **4. Monitoring**

Salary budgets are monitored through the normal budget management processes by line managers. Members and senior officers regularly examine the Medium Term Financial Strategy, and in particular to consider ways to reduce costs to the Council.

As required by the Equality Act 2010 the council undertakes an equal pay audit of salaries annually, which is published on the Council's web site. This helps to identify whether there are significant differences in pay for employees that have one or more of the protected characteristics.

The Code of Recommended Practice for Local Authorities on Data Transparency 2011 required that salary data was published on the highest earning staff within the council; this was actioned by March 2011 as required by the Code. There has now been further qualification of the salary threshold for publication which has been set at £50,000 and above. This information, plus the inclusion of all additional fees, is at Appendix 1 (H).

The Code of Recommended Practice for Local Authorities on Data Transparency September 2011 also requires that there is a process established to monitor the rate of growth of senior earnings compared to all other employees in the organisation. The formula required is to calculate the pay multiple of the Chief Executive's salary compared to the median earnings of all other employees; where there is any significant change year-on-year this should be explained. It is the Council's policy to use this pay multiple to monitor the relationship between remuneration of chief officers and other employees.

The recommendation in the 'Hutton Review of Fair Pay' 2011 has been followed:

"the pay multiple should be calculated on the basis of all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind"

	<b>Chief Executive earnings</b>	<b>Median</b>	<b>Pay Multiple</b>
<b>2011/12</b>	£141,279	£19,953	7.08
<b>2012/13</b>	£146,434	£19,519	7.50
<b>% change from previous year</b>	3.65%	-2.18%	5.93%
<b>2013/14</b>	£149,782	£20,838	7.19
<b>% change from previous year</b>	2.29%	6.76%	-4.13%
<b>2014/15</b>	£149,898	£20,964	7.15
<b>% change from previous year</b>	0.08%	0.6%	-0.56%

The Chief Executive has now reached the top of his pay band, and the only increase in 2014/15 was a 0.5% inflation increase which moved the top of the band from £146,020 to £146,750. However, the election fees payable for duties in regard to the European Elections (£3,148) were reduced from those the previous year (£3,762), which meant that earnings remained largely at the same level.

The median earnings of all employees have increased marginally, which largely reflects the 1% pay award for 2014/15. The higher increase in the pay median than the increase in the Chief Executive earnings has resulted in a small reduction of the pay multiple. In general pay has been static during 2014/15.

It is important to emphasise that the pay policy of the Council is to pay at the market median, and this is only reached at the top of the incremental pay points for each grade. This ensures that people are paid at a lower level than the Council policy until they have fully matured into the role. In addition, although these are contractual payments, they are withheld if performance is not satisfactory at the expected level.

## **5. Trade Union Facility time**

The Council recognises UNISON, and there is a history of co-operative employee relations. As a result of this cooperative approach, a range of fair employment policies are now in place. As a result there is a low level of trade union activity.

The Council allows reasonable time for trade union duties (eg attending management meetings, pay negotiation, etc) but no time is given for trade union activities (canvassing for additional membership etc.). None of the trade union representatives therefore spend more than 50% of their working time on trade union duties. With this low level of required time the Council has not previously required that the trade unions monitor time spent, and the reported figure is therefore an estimate for 2013/14. Monitoring will take place in the future for comparison purposes.

The number of trade union representatives is as follows:

	<b>Headcount</b>	<b>FTE</b>
UNISON	6	4.6

Estimated trade union spend as a percentage of the pay-bill is 0.0096%

This is calculated as the number of full time equivalent days (84/7.4 hours = 11.34 days) spent on trade union duties, multiplied by the average salary (£24,741 per annum /260 days = £95 per day), divided by the total pay bill £11,186,000).

## **6. Contact for further information**

If you require any further information regarding the salary policy of the council you should contact Dena Smart, Head of HR Shared Services on 01795 417 391, or by email on [denasmart@maidstone.gov.uk](mailto:denasmart@maidstone.gov.uk)

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## Pay Scale 2014/15

Grade	1	2	3	4	5
1	14,591				
2	15,109	15,719	16,349		
3	17,650	18,352	19,085	19,850	
4	20,575	21,402	22,259	23,146	
5	23,217	24,146	25,115	26,115	
6	26,298	27,349	28,440	29,583	
7	29,624	30,807	32,041	33,327	
8	33,418	34,755	36,142	37,591	
9	39,472	41,049	42,687	44,397	
10	47,042	48,925	50,879	52,914	
11	55,044	57,245	59,536	61,918	64,390
12	65,657	68,280	71,013	73,857	76,812
13	80,802	84,038	87,395	90,892	94,530
14	125,444	130,459	135,675	141,102	146,750

## Pay Progression

### 1. Annual Inflation Award

Annual pay consultation will consider the cost of living and the position of SBC pay in comparison to the market, but affordability will be the foremost consideration. Consultation will commence annually in September with the aim to reach agreement within the budget cycle so that payment can be made in April salaries.

The Chief Executive and Head of HR are responsible for undertaking pay negotiation with trade unions, but the Cabinet takes ultimate responsibility for agreeing the budget.

### 2. Pay progression within grade

The pay scale has up to five increments which recognise that, with development in a role over time, an employee is of more value to the organisation and therefore warrants a higher salary. There are fewer incremental points in the lower grades and more in the more complex roles. New appointments to post will normally be at the first point of the grade unless there is evidence of a skill shortage in line with the criteria set out in the Market Supplement Policy.

Progress through the grade will be assessed annually. This will not be an automatic progression but will require an assessment against the agreed Competency Profile and Performance Standards for the position. Where the employee has progressed towards the full competency profile they will be awarded an increment. Assessment for incremental progression will take place by **October** each year. This will therefore not be linked to the annual appraisal but will take place mid-year. Increased increments will be paid with effect from 1 October.

Employees must have six months' service in their role by 1 October to be eligible for assessment. If they are more recently appointed they will receive a review after six months in the position; thereafter they will be reviewed annually for the October increment.

Individuals will need to consistently demonstrate the behaviours required by the Competency Profile and Performance Standards for their role in order to maintain their incremental position. One-off performance will not be sufficient to merit or maintain an increment.

Where individuals do not sustain the level of performance or where they have been assimilated to the top of the grade but are assessed as not having the full range of competencies, they will be given time to improve, but their pay will be frozen until they drop to the pay level that matches their performance. This includes any rise in annual pay as a result of pay inflation. This is outside the normal Pay Protection Policy as it does not represent an organisational change. Where the individual is assessed as not meeting the requirements of the grade their performance will be treated as a capability issue.

### **3. Career Grades and Incremental Progression**

A Career Grade offers the opportunity of a long path of progression to a particular professional position. As such the nature of the role and the requisite competencies are likely to vary considerably between the entry point and final destination. This means that through Job Evaluation the Career Grade is likely to span several grades and have many steps. To enable this clear stepped progression there may be some need to have interim points between the normal incremental points, e.g. in recognition of the achievement of some particular milestone. These half incremental steps will be allowed providing that there is prior agreement with the Head of HR, that they are applied equally to all those who meet the criteria, and are set out as part of the agreed career grade structure.

Progress through the career grade will need to be evidence based, and the Head of HR will need to agree to the progression if it is between grades.

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## Chief Executive and Director Appraisal Process

The appraisal panel for the Chief Executive will comprise of the Leader, Deputy Leader and Leader of the Majority Opposition Party, supported by an external facilitator.

This panel will also take a 'grandparent' role to review and comment on the full annual appraisal and objectives for the Directors as set by the Chief Executive.

The timetable and process for the Chief Executive is set out below:

Month	Activity
January	The Chief Executive undertakes a self-review of achievements against the annual objectives, and suggests possible objectives for the coming year. This self-review is submitted to the external facilitator.
January	The external facilitator gains informal feedback from the members of the working group on the Chief Executive's performance.
Early February	The facilitator and Chief Executive discuss progress, development and future targets, and go through the Member feedback.
February	After the budget has been agreed by full Council, the working group and Chief Executive meet formally, supported by the external facilitator, for the formal appraisal and objective setting. The outcome of the agreed objectives will be reported at the next full Council by the Leader. The meeting to be documented by the external facilitator as the Chief Executive's formal appraisal.
September	The working group, facilitator and Chief Executive meet to review mid-year progress, and agree whether performance is satisfactory. If the Chief Executive is performing to a satisfactory level the annual increment will be awarded (up to the top of the grade). The summary of this meeting to be reported back to the General Purposes Committee.

The process for Directors is set out below:

<b>Month</b>	<b>Activity</b>
January	<p>The Director undertakes a self-review of achievements against the annual objectives and suggests possible objectives for the coming year.</p> <p>This self-review is submitted to the Chief Executive.</p>
Early February	<p>The Director and Chief Executive meet to discuss progress, development and future targets.</p>
Early February	<p>The Chief Executive prepares a draft appraisal document with assessment of performance in the previous year and against competencies.</p> <p>Draft forward objectives and a development plan are also documented and agreed between the Chief Executive and Director.</p>
February	<p>The appraisal panel, the Chief Executive and the Director meet formally for the 'grandparent review', and finalisation of the Director's objectives.</p> <p>The meeting to be documented by the Chief Executive as the Director's formal appraisal.</p>
September	<p>The Chief Executive and Director meet to review mid-year progress and agree whether performance is satisfactory.</p> <p>If the Director is performing to a satisfactory level the annual increment will be awarded (up to the top of the grade).</p>

## **Market Supplements for Pay**

### **1. Introduction**

The Council will utilise a Market Supplement to ensure that competitive salaries will attract and retain key workers in skill shortage areas without distorting the pay structures for all other employees. A Market Supplement for recruitment or retention purposes will only be used where there are clear business reasons that cannot be better addressed through the total benefits package, the work environment or department skill mix. It is recognised that pay is only one factor contributing to our attractiveness as an employer and other aspects of employment, particularly those relating to development, should be applied rather than using just a Market Supplement.

All jobs are graded using the Inbucon Job Evaluation system and the defined pay policy of the Council is to pay at Market Median where the market used is the Inbucon salary data. This is also checked against local Kent salary surveys to ensure that it is robust for the geographical region. This approach ensures that the employees of Swale Borough Council are paid at a fair level in comparison to other workers in similar employment groups.

However, there is recognition that in certain professions there are either national or regional skill shortages and Swale needs to be responsive to the competition for these skills. In the longer term our aim will be to train employees to move into these specialist areas and to ensure that the specialists' skills are utilised properly within the organisation. In the short term Market Supplements may be used.

### **2. Identification of the Skill Shortage**

#### **2.1 Recruitment Campaigns**

Where there is no anticipated shortage there will need to be a minimum of two appropriate external recruitment campaigns within a 12 month period to establish that it is not possible to fill a position before it is agreed there is a requirement for a market supplement.

#### **2.2 KPOG Salary Survey**

The salary survey is conducted on an annual basis and gives details of the comparative salaries for defined positions in the Kent Districts. This clearly identifies the median salaries and is particularly relevant for local government roles. This will enable the identification of positions which may be vulnerable and, where there is more than a 10% salary difference from the median, there should be consideration of the need for a market supplement. The existence of this difference alone is unlikely to be sufficient justification and further analysis will be required to identify whether this has had an adverse impact on the Council's ability to recruit and retain relevant staff.

## 2.3 National Information

Within local government there are certain identified skill shortage areas. These are identified through data collection from the Employers Organisation and the I&DeA. In 2014 these skills were listed as:

- (i) Children's social workers
- (ii) Planning officers \*
- (iii) Building control officers
- (iv) Environmental health officers \*
- (v) Educational psychologists
- (vi) School crossing patrol
- (vii) Adult social workers
- (viii) Trading standards officers
- (ix) Solicitors and lawyers \*
- (x) Mental Health Social Workers

\* category of worker employed by SBC

This national picture is the first indicator of a shortage. Where there is an identified shortage nationally the manager will still be required to demonstrate that this applies to the local area. This proof can be gained through the outcome of a relevant recruitment campaign during the previous 12 month period, or through information from agencies about the availability of particular skill sets.

### **3. Market Supplement for Recruitment Purposes**

The level of supplement will be agreed between the Director and the Head of HR Shared Services in consultation with the Head of Finance. It will be paid as part of monthly salary and will be pensionable. The supplement will not be subject to the cost of living award and will not be taken into account for any salary-related enhancements, e.g. overtime, which will be paid at the normal salary rate. The Market Supplement will be given for a minimum two year period initially. This will be annually reviewed to confirm that the supplement is still necessary, and at the appropriate level. Where a reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Reductions will follow the process set out in Section 5.

The payment of a Market Supplement must be within the Director's agreed budget. Approval must be given by the relevant Director and the Head of HR Shared Services, who will ensure that all alternative options have been explored.

### **4. Market Supplement for Retention Purposes**

Whilst the Market Supplement is principally to enable the Council to be able to compete in a highly competitive market to attract new employees, there may be exceptional cases where a supplement should be considered for existing employees. This may occur in situations where a new recruit is offered a supplement that would then cause equally mobile colleagues to leave and seek a similar salary elsewhere.

There may also be occasions where an employee with a specialist skill needs to be retained to ensure business continuity.

The level of supplement will be agreed between the Director and the Head of HR Shared Services in consultation with the Head of Finance. It will be paid as part of monthly salary and will be pensionable. The supplement will not be subject to the cost of living award and will not be taken into account for any salary-related enhancements, e.g. overtime, which will be paid at the normal salary rate. The Market Supplement will be given for a minimum two year period initially. This will be annually reviewed to confirm that the supplement is still necessary, and at the appropriate level. Where a reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Reductions will follow the process set out in Section 5.

Payment of a Retention Supplement must only be considered in exceptional circumstances, and particular attention must be paid to the Equal Pay issues.

## **5. Removal of the Supplement**

The availability of skills varies over time. As professions are identified as skill shortage areas and salaries rise they can attract an increased number of trainees. Where this is the case the Council would not wish to incur unnecessary costs, i.e. paying more for a skill than the median rate, if this would be sufficient to attract high quality applicants. The economic situation may also change so that scarce skills become available from other sectors or organisations.

Management Team will review the posts attracting a supplement annually; this will usually coincide with the annual KPOG salary survey at the beginning of each year, but the date may vary according to information availability. When it is clear that a particular profession or skill area no longer necessitates a market supplement this will be withdrawn over a phased period of two years – with the withdrawal of 25% of the supplement every six months until the employee returns to the normal rate for the job. The assessment of the on-going need will relate to the national skills assessment combined with local salary reviews and the response to recruitment campaigns. When a market supplement is to be withdrawn the employee will be notified and given a minimum of three months' notice that a phased reduction will commence.



## **Policy and Procedural Issues: Local Government Scheme Regulations - Employer Discretions**

This paper confirms the pension policy of Swale Borough Council as it relates to the exercise of discretions contained in the Local Government Pension Scheme Regulations 2013 and the LGPS (Transitional Provisions, Savings and amendments) Regulations 2014. Last updated June 2014.

The policy statement applies to all members of staff who are eligible to be members of the LGPS, as defined in the regulations i.e. employees with a contract of employment of over three month's duration and who are under 75 years of age and are contractually enrolled at the start of employment. Those with contracts of less than 3 months, including casuals, can join but need to elect to do so.

Employees who are members of the pension scheme are only entitled to receive pension benefits if they have two years or more service. Under LGPS 2014 Regulation 18, if an employee leaves within two years of the start of their employment their contributions can be repaid or transferred to another scheme, unless there is some fraudulent offence or misconduct in connection with the employment.

### **Principles**

The Authority will treat any individual retirement case and decisions on its merits.

Decisions relating to retirement will be made taking into account the business case and business implications, the financial implications, employment law consideration, the regulations and the legality of each case. It may also take into account long term savings, affordability, skills and skills retention and impact on service delivery.

The definition of business efficiency shall include, but not be limited to financial savings and/or quality improvements judged on a case by case basis.

Each decision will be made free from discrimination on the grounds of any protected characterising – age, disability, gender reassignment, marriage or civil partnership, pregnancy & maternity, race, religion and belief, sex, sexual orientation, or any other personal criteria.

The Authority's decisions relating to retirement and the release of pension benefits will be in line with the current pension regulations. These regulations may be updated from time to time, and the Authority will default to the regulations if the policy is not explicit on any current or future regulation.

Decisions relating to the release of deferred benefits to former employees will refer to the relevant pension policies applicable at the time of their employment. In such cases, the decision as to the release of deferred benefits will be on a case-by-case basis and will take into account the criteria detailed in these principles. Guidance may be sought from the pension administrators as required.

Decisions taken under these discretions will be reported to the General Purposes Committee.

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

Swale Borough Council will apply the nationally determined employee contribution rates and bands. These are subject to change and may be varied.

Swale Borough Council will pay the rate of contributions determined in the regulations for employees whose pay is reduced through ill health or during authorised unpaid leave, including child related leave.

The calculation of pensionable pay will include basic annual salary plus any other pensionable salary items including – Market Supplement/ Premium, Overtime, Bonus, Honorarium, Salary Supplements. The pensionable pay will be reviewed monthly and based on earnings for that month to identify the appropriate band and contribution percentage

Swale Borough Council will notify employees of their individual contribution rates in their payslips or by letter at least annually.

### **Regulation 16 (2)e and 16 (4)d – Shared Cost Additional Pension Contributions (SCAPC)**

It is not Swale Borough Council's general policy to operate a SCAPC where a scheme member wishes to purchase extra annual pension (up to the limit defined in the regulations).

A scheme member who has a period of child related leave or authorised unpaid leave may elect, within 30 days of return to work, to pay a SCAPC to cover the amount of pension 'lost' during the period of absence. In these circumstances Swale Borough Council is required to contribute 2/3rds of the cost. If an election is made after the 30 day time limit the full costs will be met by the scheme member.

Employees who have the option to pay contributions in respect of a period of unpaid absence must elect to do so within 30 days of the date of the notice issued to them by the Human Resources Section stating the amount of contributions to be paid. This time limit may be extended by the Head of Human Resources if the employee can demonstrate exceptional circumstances so as to justify an extension of time.

### **TP Regulations 1(1)(c) of Schedule 2 – whether to allow the rule of 85 to be 'switched on' for members age 55-59.**

It is not Swale Borough Council's general policy to make use of the discretion to 'switch back on' the 85 year rule protections unless there are clear financial or operational advantages to the council. Each case will be considered on its merits by Head of Human Resources, the Head of Finance, and the relevant Director.

### **Regulation 17 (1) – Shared Cost Additional Voluntary Contributions (SCAVC)**

It is not the current policy of the Borough Council to operate a shared cost Additional Voluntary Contribution Scheme for employees. However, this policy will be reviewed from time to time by the Head of Human Resources in conjunction with the Chief Finance Officer, and then the decision is subject to Member's approval.

### **Regulation 21 (5) – In determining Assumed Pensionable Pay whether a lump sum payment made in the previous 12 months is a 'regular lump sum'.**

Swale Borough Council will maintain a list which details what Swale Borough Council considers being a regular lump sum payment made to our employees to be used in the calculation of the Assumed Pensionable Pay.

### **Regulation 22 (7)(b) & 22 (8)(b) - Aggregation of Benefits**

Employees who have previous LGPS pension benefits in England and Wales will automatically have these aggregated with their new LGPS employment, unless they elect within 12 months of commencing membership of the LGPS in the new employment to retain separate benefits. Swale Borough Council has the discretion to extend this period beyond 12 months and each case will be considered on its own merits by the Head of Human Resources, the Head of Finance and the relevant Director.

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

It is Swale Borough Council's policy to only provide consent for flexible retirement and the immediate payment of benefits where there are clear financial or operational benefits to the Council. Any such consent requires the agreement of the Head of Human Resources and the relevant Director and each case would be considered on its merits.

If consent has been given under Regulation 30 (6) it is not Swale Borough Council's general policy to waive any actuarial reduction unless there are exceptional circumstances.

### **Regulation 30(8) Waiving of Actuarial Reductions**

It is not the policy of the Borough Council to give consent to the immediate payment of benefits to employees under this regulation, unless there is a demonstrable benefit to the organisation which would take full account of any extra costs to be borne by the Authority. In circumstances where a request is made for an early payment of a deferred benefit this is unlikely to be granted except in the most extreme cases of hardship; circumstances must be exceptional and would not reasonably be expected to prevail i.e. the occurrence of a disaster or accident etc. Financial hardship alone would not normally be deemed sufficient. Any such consent shall be agreed by the Head of Human Resources, Head of Finance and the relevant Director, taking account of all the details involved in the case.

Where a scheme member has previously been awarded a preserved benefit, it is not generally the policy of Swale Borough Council to give consent under this regulation to the early payment of benefits; however, each request will be considered and full account taken of any costs to be borne by the authority. Any consent shall be agreed by the Head of Human Resources, Head of Finance and the relevant Director, taking account of all the details involved in the case. It is not the Council's general policy to waive any actuarial reduction in these circumstances.

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

Swale Borough Council has the discretion to award additional pension (up to the additional pension limit defined in the regulations) to an active member or within six months of leaving the scheme to a scheme member who was dismissed on grounds of redundancy or business efficiency.

Swale Borough Council will only exercise this discretion in exceptional circumstances and where there is a proven total benefit to the organisation which includes any costs that might be borne by the authority. Any consent shall be agreed by the Head of Human Resources, Head of Finance and the relevant Director, taking account of all the details involved in the case.

### **Regulation 100 (6) – Aggregation of Benefits**

If a scheme member wishes to transfer any pension benefits they have built up in other schemes to the Local Government Pension Scheme, it is the policy of Swale Borough Council that the election must be made within 12 months of the Pension Section being notified that the employee has become an active member of the Kent Scheme.

If the 12 month period has elapsed then the member may make a case for any exceptional circumstances to be considered by the Head of Human Resources, the Head of Finance and the relevant Director within Swale Borough Council, and by the Pension Scheme Administrator. Both organisations must agree to the late transfer.

## Protection of Earnings Policy

### 1. Introduction

The Council believes that an integral feature of any successful organisation is its ability to identify the need for change and to manage that change, taking into account management's aspirations as well as the aspirations and wellbeing of its employees.

Whilst the Council is committed to providing security of employment and to minimising the personal impact of organisational change, there will be occasions when it will be necessary to reorganise services and the way in which they are delivered. In these circumstances the provisions of this Policy will apply. This Policy needs to be read in conjunction with the Organisational Change Policy.

### 2. Scope

This policy applies to any employee who, as a consequence of organisational change, is required by management to change their grade or method of working, or suffers a reduction in basic hours worked within the standard working week, or suffers a reduction in basic pay and allowances.

The provisions of this policy **do not** apply as a result of:-

- a) action taken in accordance with the Council's Disciplinary or Capability procedures;
- b) the need for re-deployment on health grounds;
- c) unacceptable standards of work performance;
- d) a request from the individual or by mutual agreement between the individual and Council;
- e) a voluntary application to another position within the Council; or
- f) the removal of a Market Supplement following an annual review, any loss here would be dealt with in accordance with the Market Supplement Policy.

### 3. Protection Period

Protection of earnings will be given for a period of 24 months. The first twelve months will be protected at the full earnings of the role held by the employee prior to the change; the second period of 12 months will be at half the rate of the new earnings compared with the old earnings. After a period of 12 months the employee will move to the salary and earnings of the new post. The employee will be moved to the salary point of the pay scale for the grade of the new post that is closest to the salary of the previous post. In most cases this is likely to be the highest incremental point of the relevant grade.

In exceptional circumstances, and where there may be a cost advantage to the organisation, there may be agreement with the Chief Executive, the Head of Finance and Head of HR Shared Services to extend this period.

#### **4. Calculation of Protection**

Earnings protection in respect of payments/allowances other than basic salary will be calculated as an average of those earnings paid within the three month period prior to the organisational change taking place as compared with the new earnings package. Such earnings will include market supplements, essential car user allowance, shift payment, irregular working hours payment, and an average of overtime, if considered appropriate. The protection figure so calculated will be applied on a “stand still” basis, i.e. with no inflation award or incremental movement.

Earnings in the new post will be off-set against protected earnings and, if for any particular pay period the earnings in the new post exceed the protected earnings, then the higher earnings will be paid for that pay period.

If an employee with a lease car agreement is redeployed to a post that does not carry eligibility for a lease car, that employee will be permitted to retain the lease car until the end of the lease period.

#### **5. Conditions of Protection**

Protection of earnings is conditional upon the employee undertaking any shift work or other duties which may be required in the new post up to the level at which the earnings in the new post equal the protected earnings.

Protection of earnings is also conditional upon the employee accepting any subsequent offer of a suitable alternative post which attracts a salary in excess of that of the new post.

Overtime will be paid at the new rate (i.e. the real rate attached to the post), not at the protected rate.

#### **6. Pension Implication**

With effect from 1 April 2008, no further certificates of protection of pension benefits will be issued. However, those issued prior to that date will still be valid.

As from 1 April 2008 the pension scheme rules changed such that those whose pay is restricted or downgraded in the ten years prior to them leaving the scheme will have the option to have their benefits based on the average of any three consecutive years in the last ten years.

#### **7. Terms and Conditions other than Pay**

Annual Leave entitlements and length of notice period required from the employee will not be protected, and those applicable to the new post will be applicable. Annual leave entitlement will change with effect from the next full leave year, and notice with effective from the date of transfer.

#### **8. Review**

This Policy is subject to review.

September 2010

## Appendix I(G)

### KENT ASSOCIATION OF ELECTORAL REGISTRATION OFFICERS AND STAFF

#### Proposed scale of fees for District/Borough and Parish Council elections held on or after 1 April 2015

ITEM	Current 2014 £	Proposed 2015 £	% increase
1. For each Presiding Officer at a Polling Station – single election	199.22	203.60	2.2%
2. For each Presiding Officer at a Polling Station – combined election or difficult station due to local circumstances (at the discretion of the Returning Officer)	244.74	250.12	2.2%
3. For a Presiding Officer who acts as a supervisor at a Polling Place where there is more than one Polling Station	(additional) 9.66	(additional) 9.87	2.2%
4. Presiding Officer travel (see note 4 below)	13.66	13.96	2.2%
5. For each Poll Clerk at a Polling Station – single election	119.53	122.16	2.2%
6. For each Poll Clerk at a Polling Station – combined election (at the discretion of the Returning Officer)	147.99	151.25	2.2%
7. Poll Clerk travel (see note 4 below)	7.94	8.11	2.2%
8. Supervising Officer – for every 10 polling stations overseen	199.22	203.60	2.2%
9. For each Presiding Officer, Poll Clerk and Supervising Officer attending training	44.22	45.19	2.2%
10. For each training session provided by the Returning Officer to Presiding Officers and Poll Clerks	170.78	174.54	2.2%
11. For the delivery of official Poll Cards by hand	Second class post	Second class post	
12. For the employment of persons in connection with the counting of votes, clerical and other assistance required by the Returning Officer – for each 500 electors (or part) in a contested election	69.70	71.23	2.2%
13. For the employment of persons in connection with the preparation, issue and opening of postal ballot papers – for every 100 (or part) postal ballot papers issued. (Further resources may be needed to meet the	68.31	69.81	2.2%

ITEM	Current 2014 £	Proposed 2015 £	% increase
effects of the Electoral Administration Act 2006)			
14. For each recount of the votes – for each 500 electors (or part) (see note 3 below)	4.01	4.10	2.2%
15. Travel of staff in connection with the counting of votes (at the discretion of the Returning Officer – see note 4 below)	7.94	8.11	2.2%
16. For clerical and other assistance required by the Returning Officer at an uncontested election – for each 500 electors (or part)	18.96	19.38	2.2%
17. Payment to the District/Borough for the use of Council staff to support the Returning Officer in the conduct of elections as follows:			
(a) contested election – (i.e. without District/Borough) for each 500 electors (or part)	53.98	55.17	2.2%
(b) contested joint election (i.e. with District/Borough) – for each 500 electors (or part)	26.99	27.58	2.2%
18. Payment to the District/Borough for the use of Council staff at an uncontested election – per uncontested election (see note 5 below)	14.89	15.22	2.2%
19. Returning Officer's fee for the conduct of elections as follows:			
(a) contested District/Borough OR Parish election – for each 500 electors (or part)	30.17		
(b) contested joint District/Borough AND Parish election – for each 500 electors (or part)	41.67	30.83	2.2%
(c) uncontested District/Borough election – single fee	51.66	42.57	2.2%
(d) uncontested Parish election – single fee	17.70	52.80	2.2%
		18.09	2.2%

#### Notes

1. The fees are calculated on the number of local government electors on the register of electors and entitled to vote at the last day for publication of the notice of election.
2. At parish polls the fees relating to polling staff may be pro rata.
3. **Item 14** – in special circumstances, the Returning Officer may recover actual costs.
4. **Items 4, 7 and 15** – variable mileage rates may be applied where fixed travel is considered inappropriate.
5. **Item 18** - the payment referred to applies (in the case of a parish election) to each ward of a parish.



## Appendix I (H)

Information published in accordance with the guidance associated with the Code of Recommended Practice for Local Authorities on Data Transparency, which requires the publication of senior salaries within a £5,000 range.

Details of remuneration and job title of senior employees whose earnings are between £50,000 and £150,000.

Position	Reporting Unit	Remuneration	No of staff under management responsibility	Budget responsibility	Other services/responsibilities
Chief Executive	Chief Executive Services	£145,000 - £149,999	369		Returning Officer responsible for all elections & Head of Paid Service
Corporate Services Director	Corporate Services	£95,000 - £99,999	102		Monitoring Officer
Director of Regeneration	Regeneration Services	£95,000 - £99,999	113		
Head of Commissioning & Customer Contact	Commissioning & Customer Contact	£75,000 - £79,999	47		
Head of Economy & Community Services	Economy & Community Services	£75,000 - £79,999	40		
Head of Housing Services	Housing Services	£75,000 - £79,999	37		
Head of Legal Partnership	Mid Kent Legal Services	£75,000 - £79,999	22		Head of partnership with Maidstone and Tunbridge Wells Borough Councils
Head of Planning Services	Planning Services	£75,000 - £79,999	29		Shared with Tunbridge Wells Borough Council
Head of Service Delivery	Service Delivery	£75,000 - £79,999	72		
Deputy Head of Legal Partnership	Mid Kent Legal Services	£65,000 - £69,999	22		Manager within shared service with Maidstone and Tunbridge Wells Borough Councils.
Chief Executive Thames Gateway Kent Partnership	Thames Gateway Kent Partnership	£60,000 - £64,999	2		
Head of Property Services	Property Services	£60,000 - £64,999	22		
Business Change Manager	Mid Kent Legal Services	£50,000 - £54,999	5		Manager within shared service with Maidstone and Tunbridge Wells Borough Councils.
Chief Accountant	Financial Services	£50,000 - £54,999	13		
Commissioning & Open Spaces Manager	Commissioning & Customer Contact	£50,000 - £54,999	8		
Contracts & Procurement Manager	Commissioning & Customer Contact	£50,000 - £54,999	5		
Democratic & Electoral Services Manager	Democratic Services	£50,000 - £54,999	52		
Development Manager	Development	£50,000 - £54,999	17		
Economy & Community Services Manager	Culture & Places	£50,000 - £54,999	3		
Economy & Community Services Manager	Economy & Regeneration	£50,000 - £54,999	6		
Economy & Community Services Manager	Safer & Stronger Communities	£50,000 - £54,999	3		
Housing Options Manager	Homelessness & Housing Development	£50,000 - £54,999	27		
Policy & Performance Manager	Policy & Performance	£50,000 - £54,999	4		
Revenues & Benefits Manager	Revenues & Benefits	£50,000 - £54,999	61		
Senior Environmental Health Officer	Environmental Health (Housing)	£50,000 - £54,999	7		Manager within shared service with Maidstone and Tunbridge Wells Borough Councils.
Spatial Planning Manager	Spatial Planning	£50,000 - £54,999	9		

**Number of employees whose remuneration in 2014/15 is at least £50,000, in brackets of £5,000**

Remuneration band	Number of employees in band
£50,000 - £54,999	14
£55,000 - £59,999	0
£60,000 - £64,999	2
£65,000 - £69,999	1
£70,000 - £74,999	0
£75,000 - £79,999	6
£80,000 - £84,999	0
£85,000 - £89,999	0
£90,000 - £94,999	0
£95,000 - £99,999	2
£100,000 - £104,999	0
£105,000 - £109,999	0
£110,000 - £114,999	0
£115,000 - £119,999	0
£120,000 - £124,999	0
£125,000 - £129,999	0
£130,000 - £134,999	0
£135,000 - £139,999	0
£140,000 - £144,999	0
£145,000 - £149,999	1
<b>Total</b>	<b>26</b>

The Council has four shared services that are managed by Heads of Service not directly employed by Swale Borough Council. The salary details for these post holders may be found in the transparency data of the relevant employing authority.

Post	Employing Authority
Head of Audit Partnership	Maidstone Borough Council
Head of HR Shared Services	Maidstone Borough Council
Head of ICT Partnership	Maidstone Borough Council
Senior Environmental Health Officer	Tunbridge Wells Borough Council

# Swale Borough Council Organisation Chart

