

# Swale Borough Council

## Pay Policy Statement – March 2018

### 1. Introduction

The key themes of the Workforce Strategy are:

- Culture of the organisation;
- Recruitment and retention; and
- Developing for the future

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 Workforce 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 Member panel. Senior appointments are also the responsibility of a Member panel, 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 in 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 2016/17 the pay award agreed with the Trade Unions was for a 2 year deal of 1.2% increase across all pay points in 2016 and 2017.

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). Staff receiving market supplements were from the Environmental Health, Planning and in the Legal teams. However, a review carried out in 2014 on market supplements resulted in Environmental Health staff having their supplement removed based on external pay data. Currently, there are seventeen employees in receipt of Market Supplements that are either working in Planning or Legal teams.

### 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 Council's Total Rewards package.

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.

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; in April 2014 there was an option to lower level contributions with the introduction of the 50/50 scheme.

Pensionable pay	Main Section	50/50 Section
Up to £13,700	5.50%	2.75%
£13,701 - £21,400	5.80%	2.90%
£21,401 - £34,700	6.50%	3.25%
£34,701 - £43,900	6.80%	3.40%
£43,901 - £61,300	8.50%	4.25%
£61,301 - £86,800	9.90%	4.95%
£86,801 - £102,200	10.50%	5.25%
£102,201 - £153,300	11.40%	5.70%
More than £153,301	12.50%	6.25%

The employer contribution rate, calculated as the future service rate excluding past service deficit for 2017/18 will be around 14.7 %, although this does vary from year to year.

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.

The government has also proposed to introduce legislation that will cap exit payments at £95,000 on the total value of the payment for public sector workers and introduce a statutory requirement to recover exit payments made to workers whose minimum salary is £80,000 at the point of leaving employment and returning to work with another public sector employer within a 12 month period. Council policies will be amended to incorporate these requirements once these have been finalised by government.

### 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 2017/18 there were nine people in receipt of honoraria, six more than the previous year.

**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. As at March 2018 there were ten people in receipt of this payment, one less than the previous year. 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 (fourteen in 2017/18, an increase of two from the previous year) 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 £100 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 was given to those employees that are required to have a vehicle for their role and that drive a minimum of 2,000 miles annually. This changed in June 2016 with the allowance being reduced to £1000 per annum and pro-rata for part time staff as well as an increase to the mileage threshold to 2,500. At the end of March 2018 this allowance was allocated to fifty six members of staff which is a decrease of eleven from the previous year. The majority of staff in receipt of this payment are within the statutory services which require external visits e.g. planning, environmental health, housing, and where there are other shared services requiring travel between districts. Mileage rates for those receiving this allowance were set at the HMRC level (in 2015/16 this was 45 pence per mile). However, this has changed in June 2016 with a reduction in the mileage rate to 37.8 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 and parish 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 Gold 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 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 Services (MKS) partners.

The Council introduced the opportunity for employees to **buy additional annual leave**, and ten employees have used this benefit during 2016/17. This is at no cost to the Council.

## 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 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.

From April 2017 under the Equality Act 2010 employers with more than 250 employees are required to publish statutory gender pay gap calculations on an annual basis. The data must be a snapshot of salary data on 31 March 2017 and must be published on our own website and a government website by 30 March 2018. The council has met the new legislative requirement and has published the Gender Pay Gap information well within the government's deadline.

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>	£146,750	£20,988	6.99
<b>% change from previous year</b>	-2.02%	0.72%	-2.78%
<b>2015/16*</b>	£135,143	£21,881	6.18
<b>% change from previous year*</b>	-7.91	4.25	-11.59
<b>2016/17*</b>	£154,077	£22,176	6.95
<b>% change from previous year*</b>	14.1%	1.35%	12.46%
<b>2017/18*</b>	£122,993	£22,342	5.50
<b>% change from previous year*</b>	-20.1%	0.75%	-20.86%

\*The Local Government Association guidance is that organisations should use taxable pay to calculate the pay multiple. In previous years the multiple has been calculated using the National Insurance pay level which includes the pension contribution paid by the individual and is a higher figure.

The existing Chief Executive resigned and left the council in February 2017. Interim arrangements were put in place for the existing Director to act up into the post of Chief Executive. During the hand over period both post holders were working in the Chief Executive role for the month of February which had therefore increased the total earnings for the Chief Executive role in 2016/17.

The interim arrangements for the Chief Executive have been made permanent and the main difference for 2017/18 is in the pay as the current Chief Executive is on a

lower pay rate compared to the previous Chief Executive who was on the top of the pay grade.

The median earnings of all employees have increased compared with the previous year's calculation, which reflects the pay award increase for 2017/18.

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 generally a low level of trade union activity.

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1<sup>st</sup> April 2017 which requires public sector employers to publish specified information relating to facility time provided by trade union officials. Under the regulations, the relevant information will need to be published on an annual basis for the period 1<sup>st</sup> April to 31<sup>st</sup> March.

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.)

The number of trade union representatives is as follows:

	<b>Headcount</b>	<b>FTE</b>
UNISON	5	4.6

Percentage of time spent by union officials on facility time is:

Percentage of time	Number of employees
0%	0
1-50%	4
51%-99%	0
100%	0

Note: only 2% of facility time is spent by union officials.

Percentage of pay bill spent on facility time:



Total cost of facility time	£3046
Total pay bill	£11,285,187
Percentage of pay bill	0.03%

There has been no time spent on paid trade union activities.

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

If you require any further information regarding the salary policy of the council you should contact Bal Sandher, Head of HR Shared Services, on 01622 602165, or by email on [baljinder.sandher@midkent.gov.uk](mailto:baljinder.sandher@midkent.gov.uk)

## Pay Scale 2018/19

Grade	1	2	3	4	5
1	15,063				
2	15,598	16,227	16,878		
3	18,221	18,946	19,702	20,492	
4	21,240	22,094	22,979	23,895	
5	23,968	24,927	25,927	26,960	
6	27,149	28,233	29,360	30,540	
7	30,582	31,803	33,077	34,405	
8	34,499	35,879	37,311	38,807	
9	40,749	42,377	44,068	45,833	
10	48,563	50,507	52,524	54,625	
11	56,824	59,096	61,461	63,921	66,472
12	67,780	70,488	73,310	76,246	79,296
13	83,415	86,756	90,221	93,832	97,587
14	129,501	134,678	140,063	145,665	151,496

## 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.

## 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 2015 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 Chief Financial Officer. 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 Chief Financial Officer. 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.

Senior 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 three 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 Chief Financial Officer, 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 Chief Financial Officer 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, Chief Financial Officer 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, Chief Financial Officer 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, Chief Financial Officer 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 Chief Financial Officer 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 well being 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
- 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 to 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 Chief Financial Officer and Head of Organisation Development to extend this period.

### 4. Calculation of Protection

Earnings protection will be calculated as an average of the earnings in the four months preceding the organisational change. This will include basic salary, essential car user allowance, lease car cash allowance, stand-by payments and an average of overtime and out of hour's payments.

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.

Where the period of protection spans the annual pay award the protected pay will be reduced by an amount equivalent to any increase in pay in the new substantive post.

#### 5. Conditions of Protection

Protection of earnings is conditional upon the employee undertaking any shift work, standby or other duties which may be required in the new post. Where there are increased earnings as a result of these additional duties this will result in an equivalent decrease in pay protection. In circumstance where the employee is required to drive and the post is designated as an Essential Car User or the level of mileage is such that the employee qualifies for the Essential Car User Allowance this will be paid but the level of pay protection will be reduced by the equivalent amount.

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

It has been the Borough Council's policy to issue a certificate of protection of pension benefits to protect employees who suffer detriment by being required to take a cut in pay or who are prevented from having future pay increases by having their pay frozen. Any certificates issued may continue to apply to pension forecasts whilst they are still valid. Following the pension changes on 1 April 2008 there were no further certificates of protection issued but up to 31 March 2014 there are options for pension calculation to be based over a longer time period, affected employees should contact the pension administrator.

#### 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 effective from the date of transfer.

**KENT ASSOCIATION OF ELECTORAL REGISTRATION OFFICERS AND STAFF (Kent AEROS) – SCALE OF FEES (REVISED)**

**Proposed scale of fees for District/Borough and Parish Council elections and Neighbourhood Referendum held on or after 1<sup>st</sup> April 2017**

1. The scale of fees are uplifted annually, by using the NJC award pay award for local government and approved by the Kent Chief Executives Group.
2. Kent County Council’s scale of fees uses a calculation based upon per 1000 electorate. Kent AEROS’ scale uses a calculation of per 500 electorate because of small parishes.
3. In order to ensure consistency the Kent AERO's scale reflects the KCC 2017 Scale and is in line with the NJC increase
4. The Kent AEROS’ scale has been uplifted by 1.35% using the NJC Pay Award for Local Government Services 2017/18

	Item	Current 2016 £	Proposed 2017 £
<b>Stationery and Equipment</b>			
1.	Printing and publishing all notices, forms and other documents, providing stationery and sundries, and other miscellaneous expenditure including postage, telephone calls and faxes	Actual and necessary	Reasonable and appropriate cost
2.	Stationery and equipment at each polling station, including depreciation		
3.	Hire of any building or room for the purpose of the election and the expenses attending the use of any building or room, including temporary polling stations if necessary		
4.	Fitting-up polling stations including the provision, transport and erection of voting compartments, the hire of necessary furniture (where this is not otherwise available) and the return to store afterwards		
5.	Ballot Papers – provision and printing		



6.	Register of Electors – purchase		
7.	Printing or production of official poll cards and postal vote packs		
8.	Delivery of official poll cards by hand	Second class postage rate	Second class postage rate
<b>Travelling expenses</b>			
9.	Travelling expenses to DRO's staff to make arrangements for the poll or otherwise in connection with the conduct of the election	No fees in place for 2016	45p per mile
10.	Presiding Officer travelling expenses	14.10	14.29
11.	Poll Clerk travelling expenses	8.19	8.30
12.	Travelling expenses for staff in connection with the counting of votes, at the discretion of the DRO	8.19	8.30
<b>Polling Station Staff</b>			
13.	One Presiding Officer at each Polling Station – single election	205.64	208.42
14.	For each PO at a Polling Station – combined election or difficult station due to local circumstances (at the discretion of the Returning Officer (RO))	252.62	256.03
15.	For a PO who acts as a supervisor at a Polling Place where there is more than one Polling Station	(additional) 9.97	(additional) 10.10
16.	Supervising Officer (SO) – for every 10 polling station overseen	205.64	208.42
17.	For each Poll Clerk (PC) at a Polling Station – single election	123.38	125.05
18.	For each Poll Clerk at a Polling Station – joint election or difficult station due to local circumstances (at the discretion of the Returning Officer (RO))	152.76	154.82
19.	For each training session provided by the DRO	176.29	178.67

	for Presiding Officers, Poll Clerks or count staff		
20.	For each Presiding Officer and Poll Clerk attending training	45.64	46.26
21.	An allowance for each polling station to have available a mobile phone on polling day	No fee in place for 2016	5.00
<b>Counting of the votes, postal voting, clerical and other assistance</b>			
22.	For the employment of persons in connection with the counting of the votes, clerical and other assistance required by the RO – for each 500 electors or part in a contested election	71.94 (per 500)	72.91 (per 500)
23.	For the employment of persons in connection with the issue and opening of postal ballot papers – for each 100 postal voters or part	70.51	71.46
24.	For the recount of votes – for each 500 electors or part	4.14	4.20
25.	Payment to the District/Borough for the use of Council staff to support the RO in the conduct of elections as follows:		
(a)	Contested election – (i.e. <b>without</b> District/Borough) for each <b>500</b> electors (or part)	55.72 (per 500)	56.47 (per 500)
(b)	Contested joint election (i.e. <b>with</b> District/Borough) – for each <b>500</b> (or part)	27.86 (per 500)	28.24 (per 500)
26.	Contested single election – payment to DRO for the management and conduct of the election – for each 500 electors or part	31.14	31.56
27.	Contested joint election – payment to DRO for the management and conduct of the election – for each 500 electors or part	43.00	43.58
28.	For each Counter attending	No fee in place for 2016	15.00

	training		
29.	For each Count Supervisor and Count General Assistant attending training	No fee in place for 2016	30.00
30.	Reasonable refreshments for staff involved in the verification and count	No fee in place for 2016	Maximum £5 per head
<b>Uncontested election</b>			
31.	Payment to District/Borough Council for the use of Council staff at an uncontested election – for each 500 electors or part	15.37 (per 500)	15.58 (per 500)
32.	RO fee for the conduct of elections as follows:		
(a)	Uncontested District/Borough election – single fee	53.33	54.05
(b)	Uncontested Parish election – single fee	18.27	18.52
33.	For clerical and other assistance required by the Returning Officer at an uncontested election – for each 500 electors (or part)	19.57	19.83

#### 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 24** – in special circumstances, the RO may recover actual costs
4. **Items 10, 11 and 12** – variable mileage rates may be applied where fixed travel is considered appropriate.
5. **Item 31** – the payment referred to applies (in the case of a parish election) to each ward of the 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 basic salary is between £50,000 and £150,000.

Position	Reporting Unit	Remuneration	No of staff	Budget responsibility	Other services/responsibilities
Chief Executive	Chief Executive Services	£135,000 - £139,999	329	£4,691,400	Returning Officer responsible for all elections and Head of Paid Service.
Director of Regeneration	Regeneration Services	£85,000 - £89,999	171	£5,054,720	
Chief Executive Thames Gateway Kent Partnership	Thames Gateway Kent Partnership	£75,000 - £79,999	1	£5,760	Funded by Medway, Swale and other partners.
Head of Legal Partnership	Mid Kent Legal Services	£75,000 - £79,999	29	£351,570	Head of partnership with Maidstone and Tunbridge Wells Borough Councils.
Head of Planning Services	Planning Services	£75,000 - £79,999	33	£941,300	
Head of Resident Services	Resident Services	£75,000 - £79,999	91	£1,468,830	
Interim Head of Economy and Community Services	Economy and Community Services	£70,000 - £74,999	41	£2,244,570	
Head of Commissioning and Customer Contact	Commissioning and Customer Contact	£65,000 - £69,999	58	£5,488,060	
Financial Services Manager	Financial Services	£60,000 - £64,999	14	£672,410	
Business Manager	Mid Kent Legal Services	£55,000 - £59,999	5	£351,570	Manager within shared service with Maidstone and Tunbridge Wells Borough Councils.
Economy & Community Services Manager	Culture and Places	£55,000 - £59,999	3	£313,840	
Policy & Performance Manager	Policy and Performance	£55,000 - £59,999	4	£221,150	
Revenues & Benefits Manager (Operations & People)	Revenues and Benefits	£55,000 - £59,999	38	£114,710	
Contracts and Procurement Manager	Commissioning and Customer Contact	£50,000 - £54,999	8	£353,820	
Democratic and Electoral	Democratic Services	£50,000 - £54,999	12	£973,500	

Services Manager					
Development Manager	Development	£50,000 - £54,999	23	-£36,960	
Economy & Community Services Manager	Economy and Regeneration	£50,000 - £54,999	5	£313,840	
Estates Surveyor	Property Services	£50,000 - £54,999	1	-£416,740	
Head of Policy	Thames Gateway Kent Partnership	£50,000 - £54,999	0	£5,760	Funded by Medway, Swale and other partners.
Housing Options Manager	Homelessness and Housing Development	£50,000 - £54,999	19	£853,490	
Revenues & Benefits Manager (Technical & Financial)	Revenues and Benefits	£50,000 - £54,999	17	£114,710	
Spatial Planning Manager	Spatial Planning	£50,000 - £54,999	7	£581,940	
Strategic Housing & Health Manager	Homelessness and Housing Development	£50,000 - £54,999	8	£136,450	

**Number of employees whose remuneration in 2017/18 is at least £50,000, in brackets of £5,000**

<b>Remuneration band</b>	<b>Number of employees in band</b>
£50,000 - £54,999	10
£55,000 - £59,999	5
£60,000 - £64,999	1
£65,000 - £69,999	1
£70,000 - £74,999	1
£75,000 - £79,999	4
£80,000 - £84,999	0
£85,000 - £89,999	1
£90,000 - £94,999	0
£95,000 - £99,999	0
£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	1
£140,000 - £144,999	0
£145,000 - £149,999	0
<b>Total</b>	<b>24</b>

The Council has three shared services and a secondment arrangement 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.

<b>Post</b>	<b>Employing Authority</b>
Head of Audit Partnership	Maidstone Borough Council
Head of HR Shared Services	Maidstone Borough Council
Head of ICT Partnership	Maidstone Borough Council
Chief Financial Officer	Kent County Council

# Swale Borough Council Organisation Chart

