

Pay Policy Statement March 2016

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
- Pay and rewards

These strategic themes recognise the importance of pay and rewards as fundamental to our role as an employer. Our work on pay and rewards began in 2006 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.

Maidstone Borough Council has its own terms and conditions and undertakes local pay bargaining with trade unions.

2. Terms and Conditions – Decision Making

Terms and conditions for employees are determined by the Employment Committee but where a decision has a budgetary implication beyond the agreed in year budget this will also require agreement from the Policy and Resources Committee.

3. Reward Strategy

The Reward Strategy was developed in full consultation with trade unions, staff and Members and was agreed on 5th April 2006. 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 strategy has been refined over time but the principles have remained in place.

The principles for the reward strategy are to:

1. Support a **performance** orientated organisation;
2. Provide an **attractive** employment package at all levels;
3. Be relevant to a **modern** local government authority;
4. Have a pay structure that is **transparent** and straightforward;
5. Reward people **fairly** and consistently;
6. Move toward a **Total Reward** approach; and
7. To 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 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 HAY Job Evaluation Scheme and this process measures the requirements of the role against the key criteria of Know How, Problem Solving and Accountability 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 HAY scheme; every panel has one trade union representative as part of the panel. The **Lowest Paid** employees are defined as those whose posts have HAY points of 43 to 66 which place them into grade 2 of the pay scale, the same process is applied to Chief Officers whose roles are evaluated at the highest level of points. It is the policy of the organisation to refer to the HAY salary data for Local Government and to reflect the median salary for grades below Head of Service and upper quartile at Head of Service and above. Since 2011 the council has 'bottom loaded' the annual pay award so that the percentage increase for the lowest paid was greater than those on higher salaries; in 2013 the council moved the lowest pay band in line with the Living Wage giving a significant increase to the low paid, the council has continued to match the Living Wage since this point. As a result Grade 1 is now unused.

The pay scale has up to seven increments which recognise that with development in a role over time an employee's skills are of more value to the organisation and therefore warrant 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. The pay scale is at Appendix I(A).

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. Standard progression for fully effective performance is not beyond scale point four; in grades 13 – 16 there are an additional three high performance increments which may be awarded for performance which is over that usually required in the post. 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 by Corporate Leadership 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

Currently there are thirteen employees in receipt of Market Supplements within the council; this is an increase of eleven from the previous year; the policy is at Appendix I(D). There have been recruitment difficulties with senior planning staff during the year and it is anticipated that this will continue in several of the professional roles during 2016.

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; 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 £13,600	5.50%	2.75%
£13,601 - £21,200	5.80%	2.90%
£21,201 - £34,400	6.50%	3.25%
£34,401 - £43,500	6.80%	3.40%
£43,501 - £60,700	8.50%	4.25%
£60,701 - £86,000	9.90%	4.95%
£86,001 - £101,200	10.50%	5.25%
£101,201 - £151,800	11.40%	5.70%
More than £151,801	12.50%	6.25%

The employer contribution rate is around 13.4 % although this does vary from year to year, this is the future service rate excluding past service deficit.

The pension scheme is standard between all local government employers and in broad terms offers a pension benefit equivalent to 1/49th 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 Maidstone 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 the pay protection policy, 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 is that 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. From April 2016 legislation will be introduced that requires the return of all compensation payments by senior staff (earning in excess of £80,000 per annum) returning to the public sector within twelve months, our policies will be amended to incorporate these requirements.

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 2015/16 there were fourteen people in receipt of Honoraria during the year and by the end of March this had reduced to six, this is half of the previous year.

Cash and Non-cash Awards

As part of the Total Rewards package the council has mechanisms for recognising exceptional contributions both from individuals and teams. In 2015/16 these were received by six employees and there was a total of £3391 paid in cash awards.

Stand-By payments

These are paid to a small number of employees (twenty eight in 2015/16) 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 up to £147 for each week of being on-call.

Car Allowances

In 2010 the council removed the facility for lease cars but retained a lease car allowance; in 2012 it was agreed that there would be no further allocation of the Lease Car Allowance in the future and that the current allowance would be frozen. During the period since 2010 cars have been removed as the lease expired and the affected employees have moved onto the allowance and there are no remaining lease cars in the council. In 2010 there were in excess of ninety employees receiving either a lease car or cash alternative and this figure reduced to forty six by March 2015 and has since remained static.

Mileage rates for those receiving this allowance are currently up to 28 pence per mile.

A car allowance of up to £1239 is given to those employees that are required to have a vehicle for their role and by March 16 there were seventy five members of staff in receipt of this allowance. The majority of those staff in receipt of this payment are within the statutory services or shared services which require external visits e.g. planning, environmental health and housing. Mileage rates for those receiving this allowance are at the HMRC level (in 2014/15 this was 45 pence per mile)

Bonuses

The council does not make use of bonuses as part of its own remuneration package. However there are currently nine employees in receipt of regular bonuses as part of their TUPE (Transfer of Undertakings Protection of Employment) Regulations 2006) transfer terms and conditions from a previous employer; this is ten fewer than in 2011/12. These employees are all employed in the grounds maintenance teams and the productivity bonus tops up a lower basic wage. The TUPE regulations give protection to employees when their employment transfers which may only be changed through consultation.

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. An additional fee is paid for the role of Returning Officer for the District elections, this statutory role may be allocated to the Chief Executive or other officer within the council. Additional fees may be paid when an employee 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 gives both telephone and face-to-face counselling on a range of issues. The council has access to an Occupational Health Service which 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 to give excellent service. The council has been recognised for its development-focussed culture through the achievement of the Investors in People Silver award.

On an annual basis the council has an Awards Ceremony which recognises the best achievements during the preceding year. The council also recognises long service and during 2014 this scheme was changed to recognise service

over a longer period with shopping vouchers – the first level of recognition is at ten years and every five years thereafter up to forty years.

Salary sacrifice schemes – the council offers a salary sacrifice scheme to employees for the purchase of bicycles and childcare vouchers.

Buying annual leave – subject to agreement with their manager, employees are allowed to sacrifice some of their salary to buy more annual leave. In 2015/16 there were twenty four members of staff that used this benefit, ten more than the previous year.

4. Monitoring

Salary budgets are monitored through the normal budget management processes by line managers. Members and senior officers regularly consider 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 any employees that have 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 is at Appendix 1(H).

The Code of Recommended Practice for Local Authorities on Data Transparency September 2011 (updated 2015) 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 compared to the median earnings of all other employees and 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'

	Chief Executive earnings	Median	Pay Multiple
2011/12	123,657	19,158	6.45
2012/13	122,720	18,028	6.81
% change from previous year	-0.76 %	-5.90%	5.58%
2013/14	128,321	20,390	6.29
% change from previous year	4.56%	13.10%	-7.64%
2014/15	114,913	19,754	5.82
% change from previous year	-10.45%	- 0.31%	-7.47%
2015/16*	116,008	19,039	6.09
% change from previous year	0.95%	-3.62%	4.63%

*The calculation for earnings has changed this year from previous years following recent guidance from the Local Government Association (LGA). In previous years the calculations have included earnings subject to national insurance contributions but the advice is that this should just include the taxable earnings; the difference between these two is the pension contribution made by the employee.

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 and, 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 three trade unions, UNISON; UNITE and the GMB. However there are only representatives for UNISON and UNITE.

The council has a history of co-operative employee relations and with a range of fair employment policies there is a low level of trade union activity. None of the trade union representatives spend more than 50% of their working time on trade union duties; the council allows reasonable time for trade union duties (attending management meetings, pay negotiation, etc.) but no time is given for trade union activities (canvassing for additional membership etc.). 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 2014/15, monitoring will take place in the future for comparison purposes.

The number of trade union representatives is:

	Headcount	Full Time Equivalent (FTE)
UNISON	7	7
UNITE	1	1
GMB	0	0

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 01622 602712 or by email on denasmart@maidstone.gov.uk

Appendix I(A)

Pay Scale 2015 - 16

Grade	Spine point 1	Spine point 2	Spine point 3	Spine point 4	Spine point 5	Spine point 6	Spine point 7
1	GRADE ONE IS NO LONGER IN USE						
2	£15,145	£15,372					
3	£15,545	£15,928	£16,320				
4	£16,641	£17,051	£17,470				
5	£17,801	£18,240	£18,690	£19,151			
6	£19,714	£20,201	£20,699	£21,210			
7	£21,713	£22,250	£22,800	£23,364			
8	£23,733	£24,438	£25,163	£25,912			
9	£26,929	£27,729	£28,553	£29,402			
10	£29,962	£30,853	£31,772	£32,717			
11	£33,016	£34,000	£35,012	£36,054			
12	£36,768	£38,229	£39,748	£41,328			
13	£43,125	£44,986	£46,846	£48,663	£50,861	£53,058	£55,255
14	£59,188	£61,861	£64,536	£67,210	£70,386	£73,655	£75,833
15	£78,461	£81,891	£85,323	£88,754	£92,185	£95,616	£99,430
16	£104,117	£107,076	£110,037	£112,997	£115,958	£118,917	£123,664

Appendix I(B) **Pay Progression**

1. Annual Inflation Award

Annual pay consultation will consider the cost of living, the position of MBC 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 Policy & Resources Committee takes ultimate responsibility for agreeing the budget.

2. Pay progression within grade

The pay scale has up to four standard 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 1st October.

Employees must have six months service in their role by the 1st 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. High Performance Increments (HPI) – Grades 13-16

In addition to the standard incremental progression which is linked to fully acceptable performance there are an additional three incremental points in grades 13 to 16. These incremental points will be linked to sustained high performance and should not be awarded for one off projects for which either an ex-gratia payment or cash award may be more appropriate. These HPI's recognise the impact of senior managers on the high performance of the organisation and they should only be used where it is possible to demonstrate that the individual has added significant value over and above what might be seen by other fully effective performers in the same role.

High Performance Increments will be considered in line with the mid year review for effect in October. The HPI may be awarded on either a consolidated or non-consolidated basis. Recommendation for an HPI must be made by a Director to the Corporate Leadership Team for grades 13 and 14, by the Chief Executive to the Member and Employment and Development Panel (MEDP) appraisal sub-committee for Directors (grade 15) and by the Leader to the MEDP appraisal sub-committee for the Chief Executive.

Consideration of some or all of the following factors is appropriate when an award of an HPI is recommended:

- Flexibility to manage new services following structure changes
- Innovative ways of working to improve performance and reduce costs
- Management of services outside the council e.g. shared services
- Continued performance at a level above the current grade but where there are no suitable opportunities for promotion
- Increased income to the council from selling services

It is important to emphasise that the HPI will not be the norm for pay progression and movement onto these increments will be carefully monitored to ensure that there are no equal pay implications.

4. 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 and 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.

Appendix I(C)

Chief Executive and Director Appraisal Process

The appraisal panel for the Chief Executive will comprise of a sub-committee of the Employment Committee.

This committee 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.

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

Process	Dates	Papers Required
Chief Executive Appraisal and Director review	March	
Mid-Year Review – CEO with sub-committee	By mid September	Appraisal documents with agreed objectives and development plan – to be reviewed and up-dated
Mid-Year Review - Directors with CEO	September	Appraisal documents with agreed objectives and development plan – to be reviewed and up-dated
Chief Executive preparation Documents complete for circulation to sub- committee	January	Previous years appraisal & Mid Year Review Knowledge, Skills and Performance Standards Strategic Direction Competency Framework Appraisal Preparation document Briefing note on appraisal preparation
Chief Executives appraisal with sub committee	February	Appraisal produced from the meeting
Directors appraisals with CEO	February	Directors appraisals then CEO to write up and agreed by Directors
Sub-committee review of Directors appraisals	March	Previous years appraisal & Mid Year Review Knowledge, Skills and Performance Standards Strategic Direction Competency Framework Appraisal completed by Chief Executive & Director

MARKET SUPPLEMENTS FOR PAY

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 HAY Job Evaluation system and the defined pay policy of the Council is to pay at Market Median where the market used is the HAY Local Government 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 Maidstone 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 Maidstone 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 used properly within the organisation. In the short term Market Supplements may be used.

Identification of the Skill Shortage

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.

Salary Survey

The salary survey is conducted on an annual basis and gives details of the comparative salaries for defined positions in the south east. 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.

National Information

Within local government there are certain identified skill shortage areas. These are identified through data collection from the Employers Organisation. In 2015 these skills were listed as:

1. Children's social workers
2. Planning officers *
3. Building control officers *
4. Environmental health officers *
5. Educational psychologists
6. School crossing patrol
7. Adult social workers
8. Trading standards officers
9. Solicitors and lawyers *
10. Mental Health Social Workers

* category of worker employed by MBC

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.

Market Supplement for Recruitment Purposes

The level of supplement will be agreed between the Director and the Head of HR 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 eg 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 Human Resources who will ensure that all alternative options have been explored.

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 which 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 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 eg 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.

Agreement to the Market Supplement (or appointment above the bottom of the grade) will require the completion of the form at Appendix 1.

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

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.

Corporate Leadership Team will review the posts attracting a supplement annually in January. 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 2 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 by the end of January and the phased withdrawal will commence in April of that year. In this way the annual pay award should help to offset any reduction.

Appendix I(E)

Maidstone Borough Council Policy and Procedural Issues Local Government Scheme Regulations Employer Discretions

This paper confirms the pension policy of Maidstone 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 3 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 2 years or more service. Under LGPS 2014 Regulation 18, if an employee leaves within 2 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 characteristic – 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.

Regulation 9 (1) & (3) - Contributions

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

Maidstone 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

Maidstone 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 Maidstone 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).

Where a scheme member has a period of child related leave or authorised unpaid leave and elects, 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 Maidstone 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 Maidstone 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 Resources 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, 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'.

Maidstone Borough Council will maintain a list which details what Maidstone 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. Maidstone 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 Resources and the relevant Director.

Regulation 30(6) – Flexible Retirement

It is Maidstone 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 Maidstone 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 Resources 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 Maidstone 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 Resources 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

Maidstone 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 6 months of leaving the scheme to a scheme member who was dismissed on grounds of redundancy or business efficiency.

Maidstone 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 Resources 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 Maidstone 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 Resources and the relevant Director within Maidstone Borough Council and by the Pension Scheme Administrator, both organisations must agree to the late transfer.

Appendix I(F)

PAY PROTECTION POLICY

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.

Scope

This policy applies to any employee who, as a consequence of organisational change, is required by management to move to a new post or suffers a reduction in basic hours worked within the standard working week. The provisions of this policy do not apply where an employee moves to another position as a result of:

- action taken in accordance with the Council's disciplinary or capability procedures
- the need for re-deployment on health grounds
- unacceptable standards of work performance
- a request from the individual or by mutual agreement between the individual and the Council
- a voluntary application to another position within the Council

Protection Period

Protection of earnings will be given for a period of 36 months. The first twelve months will be protected at the full earnings of the role held by the employee prior to the change. The 13-24 month period will be with a 33% reduction of the difference between the new earnings and the earnings of the role held prior to the change. The 25-36 month period will be with a 66% reduction and after a period of 36 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 (e.g. where redundancy costs would be very high) there may be agreement with the Chief Executive, the Head of Finance and Resources and Head of Human Resources to extend this period to a maximum of five years.

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.

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.

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.

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.

Appendix I(G)

KENT ASSOCIATION OF ELECTORAL REGISTRATION OFFICERS AND STAFF

September 2014

NOTES TO PROPOSED SCALE OF ELECTION FEES FOR 2015

1. Since 1998 the Kent scale of election fees mirrored the latest national scale, with local variations (for example, payment to the District/Borough for the use of Council staff). The Local Returning Officers' Charges Order 2009 for the European Parliamentary election of that year introduced a new approach by Government. The Order provided for an overall maximum of expenditure, based on various assumptions, and allowed flexibility across different heads of expenditure; this approach has continued at all national elections since. However, after full discussion of various options at the September 2010 meeting of the Association, it was unanimously agreed to retain the present structure for District/Borough elections in Kent.
2. The scale of fees is revised each year in accordance with the annual National Joint Council APT & C pay award; the current fees will be increased in line with the NJC local government pay award for 2014/15 which has yet to be determined (as at 11 September 2014).
3. Commencing September 2013 the following applied to item 11 (delivery of poll cards by hand). Historically, the fee has been set at Royal Mail's second class postage rate which at 11 September 2014 is £0.53, however the scale will say "second class post" as the rate is variable.
4. In the absence of the NJC APT&C pay award, it is proposed to agree to increase the scale of fees and charges in line with any pay award granted for 2014/15 with effect from 1 April 2015.

IMPORTANT NOTE

Kent AERO's approved the proposal to agree to the scale subject to adding the pay award once known. The National Pay Award has now been agreed at 2.2%. The increase has been applied to the attached scale of Fees and Charges.

**KENT ASSOCIATION OF ELECTORAL REGISTRATION
OFFICERS AND STAFF**
**Proposed scale of fees for District/Borough and
Parish Council elections held on or after 1st 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 effects of the Electoral Administration Act 2006)	68.31	69.81	2.2%

ITEM	Current 2014 £	Proposed 2015 £	% increase
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)

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

Position	Department	Remuneration	No of staff under management responsibility	Budget responsibility	Other services/responsibilities
Chief Executive	Chief Executive	£110,000 - £114,999	554	£55,193,805	Returning Officer responsible for all elections & Head of Paid Service
Director of Environment & Shared Services	Environment & Shared Services	£100,000 - £104,999	128	£17,888,430	
Director of Regeneration and Communities	Regeneration and Communities	£100,000 - £104,999	179	£28,822,195	Section 151 Officer
Head of Mid Kent HR	Mid Kent HR	£75,000 - £79,999	16	£837,830	Head of shared service with Swale Borough Council
Head of Mid Kent ICT	Mid Kent ICT	£75,000 - £79,999	36	£2,401,860	Head of shared service with Swale and Tunbridge Wells Borough Councils
Head of Policy & Communications	Policy & Communications	£75,000 - £79,999	64	£2,255,860	
Head of Finance & Resources	Finance & Resources	£70,000 - £74,999	62	£17,936,760	
Head of Planning & Development	Planning & Development	£70,000 - £74,999	72	£3,639,950	
Head of Housing & Community Services	Housing & Community Services	£70,000 - £74,999	62	£6,185,890	
Head of Mid Kent Revenues & Benefits	Mid Kent Revenues & Benefits	£65,000 - £69,999	41	£1,675,850	Head of shared service with Tunbridge Wells Borough Council
Head of Commercial & Economic Development	Commercial & Economic Development	£65,000 - £69,999	52	£4,323,045	
Head of Mid Kent Audit	Mid Kent Audit	£65,000 - £69,999	9	£552,760	Head of shared service with Ashford, Swale and Tunbridge Wells Borough Councils.
Chief Technology Officer	Mid Kent ICT	£60,000 - £64,999	18	£0	Manager within shared service with Swale and Tunbridge Wells Borough Councils.
Chief Information Officer	Mid Kent ICT	£60,000 - £64,999	15	£0	Manager within shared service with Swale and Tunbridge Wells Borough Councils. Remuneration also includes Emergency Planning supplement.
Property & Procurement Manager	Property, Procurement & Facilities Management	£55,000 - £59,999	39	£6,811,455	
Communications Manager	Communications	£55,000 - £59,999	5	£239,890	
Business Improvement Manager	Business Improvement	£55,000 - £59,999	4	£256,910	
Economic Development & Regeneration Manager	Economic Development & Regeneration	£50,000 - £54,999	3	£1,501,785	
HR Shared Service Manager	Mid Kent HR	£50,000 - £54,999	4	£440,540	Manager within shared service with Swale Borough Council
Building Surveying Manager	Building Surveying	£50,000 - £54,999	8	£772,240	Remuneration includes Emergency Planning Officer supplement
Community Partnerships Manager	Community Partnerships	£50,000 - £54,999	29	£1,184,480	

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	4
£55,000 - £59,999	3
£60,000 - £64,999	2
£65,000 - £69,999	3
£70,000 - £74,999	3
£75,000 - £79,999	3
£80,000 - £84,999	0
£85,000 - £89,999	0
£90,000 - £94,999	0
£95,000 - £99,999	0
£100,000 - £104,999	2
£105,000 - £109,999	0
£110,000 - £114,999	1
Total	21

This information is published in accordance with the guidance associated with The Code of Recommended Practice for Local Authorities on Data Transparency (2014) which requires the publication of senior salaries within a £5000 range.

Data transparency: Maidstone Borough Council organisation chart

