

Maidstone Borough Council

Pay Policy Statement - March 2024

1. Introduction

The key themes of the new Workforce Strategy are:

- Talent and Development
- Our Brand and Recruitment
- Wellbeing and Reward
- Inclusion and Belonging

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 Executive.

3. Reward Strategy

The Reward Strategy was developed in full consultation with trade unions, staff and Members. 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 up to 76 which place them into grade 3 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 the south east public and not for profit sector. In 2022, the council carried out a pay benchmark review. This demonstrated several of the pay grades had slipped below the market median. The pay review in April 2023 rectified this by increasing pay for grades and adjusting the pay points in other grades to ensure that pay progression steps remained fair.

Each pay scale has up to four increments which recognises 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. 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 being met. Assessment takes place 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. 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 thirty employees in receipt of Market Supplements within the council; this is an increase of three from the previous year; the policy is at Appendix I(D).

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 make lower level contributions with the introduction of the 50/50 scheme.

| Pensionable pay | Main Section | 50/50 Section |
|---------------------|--------------|---------------|
| Up to £16,500 | 5.50% | 2.75% |
| £16,501 - £25,900 | 5.80% | 2.90% |
| £25,901 - £42,100 | 6.50% | 3.25% |
| £42,101 - £53,300 | 6.80% | 3.40% |
| £53,301 - £74,700 | 8.50% | 4.25% |
| £74,701 - £105,900 | 9.90% | 4.95% |
| £105,901 - £124,800 | 10.50% | 5.25% |
| £124,801 - £187,200 | 11.40% | 5.70% |
| More than £187,201 | 12.50% | 6.25% |

The employer contribution rate for 2023/24 changed to 19.9% 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.

3.5 Special Severance Payments

In exceptional circumstances the Council may make a payment to an individual under a formal agreement.

Where this is the case the following authorisation process will apply to all staff:

- payments of £100,000 and above must be approved by a vote of full council, as set out in the Localism Act 2011
- payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, in consultation with the Leader and that of any others who have signed off the payment
- payments below £20,000 must be approved according to the local authority's scheme of delegation.

Where the proposed payment is to the Head of Paid Service, to avoid a conflict of interest it is expected that the payment should be approved by a panel including at least two independent persons.

3.6 Other payments

Honoraria

The council has a policy to recognise situations where an employee takes on more responsibility on a temporary basis; this helps to provide continuity of service delivery and development opportunities. In 2023/24 there were twenty people in receipt of Honoraria during the year and by the end of March this had reduced to ten staff.

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 2023/24 these were received by twenty one employees.

Stand-By payments

A review of standby duties and payments was carried out in May 2020. This resulted in amending the Standby Allowance Policy to ensure that those employees who are required to take part in standby rotas and respond to call out duties are treated consistently across the Council and remunerated fairly for the duties. The standby payments are paid to a small number of employees (forty two in 2023/24) who are on an out of hours on-call rota for specialist duties such as emergency planning or attending noise complaints. The level of remuneration is up to £146.81 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. However, in 2021 a further review on car allowances was carried out which resulted in removing lease car payments from all staff that were receiving this allowance.

The review also included staff receiving a car allowance that are required to have a vehicle in order to deliver the duties of their role. In 2021/22 there were 114 members of staff in receipt of a car allowance and by March 2024 this has reduced to fifty six staff. The majority of those staff in receipt of this payment are within the statutory services which require external visits e.g. planning, environmental health and housing. Mileage rates for those receiving this allowance are at 40 pence per mile.

Bonuses

The Council does not have a bonus system for any grade of staff.

3.7 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.

3.8 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.

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. In December 2018, the Council also introduced salary sacrifice scheme for the purchase of cars. There is no cost to the Council of these schemes.

Buying annual leave – subject to agreement with their manager, employees are allowed to sacrifice some of their salary to buy more annual leave. In 2023/24 there were twenty two members of staff that used this benefit, one less 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 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.

From April 2017 under the Equality Act 2010 employers with more than 250 employees have been required to publish statutory gender pay gap calculations on an annual basis. The data must be a snapshot of salary data on 31 March and must be published on our own website and a government website.

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'

The calculation for earnings changed in 2016 from previous years following the guidance from the Local Government Association (LGA). In previous years the calculations have included earnings subject to national insurance contributions but this has been amended to include just the taxable earnings; the main difference between these two is the pension contribution made by the employee.

Taxable Pay

| | Chief Executive earnings | Median | Pay Multiple |
|-----------------------------|--------------------------|--------|--------------|
| 2020/21 | 121,958 | 23,731 | 5.13 |
| 2021/22 | 139,028 | 23,706 | 5.86 |
| 2022/23 | 127,967 | 24,187 | 5.29 |
| 2023/24 | 125,853 | 27,012 | 4.66 |
| % change from previous year | -1.65% | 11.68% | -11.10% |

The main difference in the median pay relates to the pay benchmark review in 2022/23 and changes made to the grading structure to reflect the median salary for the south east public and not for profit sector.

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.

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1st 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 1st April to 31st March.

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.).

The total number of employees who are trade union representatives is:

| | Headcount | Full Time Equivalent (FTE) |
|--------|-----------|----------------------------|
| UNISON | 2 | 2 |
| UNITE | 0 | 0 |
| GMB | 0 | 0 |

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

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | 0 |
| 1-50% | 2 |
| 51%-99% | 0 |
| 100% | 0 |

Note: only 1% of facility time is spent by union officials

Percentage of pay bill spent on facility time:

| | |
|-----------------------------|-------------|
| Total cost of facility time | £1,925 |
| Total pay bill | £17,511,103 |
| Percentage of pay bill | 0.01% |

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

Appendix I(A)

Pay Scale 2023 – 2024

| Grade | Know How Points | Spine Point 1 | Spine Point 2 | Spine Point 3 | Spine Point 4 |
|-------|------------------------------------|---------------|---------------|---------------|---------------|
| 1 | GRADE 1 IS NO LONGER IN USE | | | | |
| 2 | GRADE 2 IS NO LONGER IN USE | | | | |
| 3 | Up to 76 | 21,029 | | | |
| 4 | 87 | 21,185 | 21,502 | | |
| 5 | 100 | 22,160 | 22,712 | 23,281 | |
| 6 | 115 | 23,498 | 24,039 | 24,593 | 25,158 |
| 7 | 132 | 25,856 | 26,359 | 26,966 | 27,585 |
| 8 | 152 | 29,017 | 29,815 | 30,635 | 31,477 |
| 9 | 175 | 32,528 | 33,423 | 34,342 | 35,286 |
| 10 | 200 | 36,422 | 37,515 | 38,641 | 39,801 |
| 11 | 230 | 40,724 | 41,845 | 42,996 | 44,382 |
| 12 | 264 | 46,711 | 48,113 | 49,556 | 51,042 |
| 13 | 304 | 56,474 | 59,025 | 61,575 | 64,125 |
| 14 | 350 | 75,376 | 78,939 | 82,604 | 85,047 |
| 15 | 400 | 87,599 | 90,227 | 92,933 | 95,721 |
| 16 | 460 | 99,539 | 103,387 | 107,234 | 111,512 |
| 17 | 528 | 114,300 | 117,157 | 120,086 | 123,088 |
| 18 | 608 | 126,728 | 130,048 | 133,366 | 138,690 |

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 trades unions, but Full Council 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. 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. 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 and Directors 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 2016 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 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 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 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.

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.

Management 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 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.

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 the relevant Director.

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

Maidstone Borough Council operate a shared cost Additional Voluntary Contribution Scheme for employees. 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 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 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 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 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 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:

- 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 the Council
- e) a voluntary application to another position within the Council
- f) the removal of a Market Supplement following an annual review, any loss would be dealt with in accordance with the Market Supplement Policy

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 earnings of the role held prior to the change. After a period of 24 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 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.

Policy reviewed and updated September 2021

Appendix I(G)

Details of remuneration and job title of certain senior employees whose basic salary is between £50,000 and £150,000.

| Position | Department | Remuneration | No of staff | Budget | Other services/responsibilities |
|---|---|---------------------|-------------|-------------|--|
| Chief Executive | Chief Executive | £140,000 - £144,999 | 545 | £19,694,840 | Head of Paid Service |
| Director of Finance, Resources & Business Improvement | Finance, Resources & Business Improvement | £110,000 - £114,999 | 58 | £8,355,960 | Section 151 Officer |
| Director of Regeneration & Place | Regeneration & Place | £110,000 - £114,999 | 269 | £8,467,010 | |
| Mid Kent Services Director | Mid Kent Services | £100,000 - £104,999 | 142 | - | |
| Director of Strategy, Insight & Governance | Strategy, Insight & Governance | £100,000 - £104,999 | 72 | £3,121,080 | Returning Officer responsible for all elections & Senior Owner Risk Officer |
| Head of New Business & Development | New Business & Development | £85,000 - £89,999 | 5 | - | |
| Head of Development Management | Development Management | £85,000 - £89,999 | 32 | £1,149,280 | |
| Head of Environmental Services & Public Realm | Environmental Services & Public Realm | £85,000 - £89,999 | 117 | £3,341,980 | |
| Head of Finance | Finance | £85,000 - £89,999 | 16 | - | |
| Head of Housing & Regulatory Services | Housing and Regulatory Services | £85,000 - £89,999 | 89 | £1,882,510 | |
| Head of Mid Kent Audit | Mid Kent Audit | £80,000 - £84,999 | 6 | - | Head of shared service with Ashford, Swale and Tunbridge Wells Borough Councils. |
| Head of Mid Kent HR | Mid Kent HR | £80,000 - £84,999 | 18 | £557,640 | Head of shared service with Swale Borough Council |
| Head of Property & Leisure | Property & Leisure | £80,000 - £84,999 | 11 | - | |
| Head of Spatial Planning & Economic Development | Spatial Planning & Economic Development | £75,000 - £79,999 | 13 | | |
| Insight, Communities & Governance Manager | Insight, Communities & Governance | £65,000 - £69,999 | 17 | | |
| Democratic & Electoral Services Manager | Democratic & Electoral Services | £55,000 - £59,999 | 22 | - | |
| Building Control Manager | Building Control | £70,000 - £74,999 | 7 | £98,780 | |
| Housing & Inclusion Manager | Housing and Inclusion | £60,000 - £64,999 | 43 | £433,130 | |
| Chief Technical Officer | Mid Kent ICT | £55,000 - £59,999 | 0 | £0 | Manager within shared service with Swale and Tunbridge Wells Borough Councils. |

| | | | | | |
|---|---|-------------------|----|-------------|---|
| Parking Services Manager | Parking Services | £60,000 - £64,999 | 13 | -£1,491,080 | Manager within shared service with Swale Borough Council |
| Economic Development Manager | Economic Development | £60,000 - £64,999 | 4 | £341,510 | |
| Portfolio Manager | Property & Leisure | £60,000 - £64,999 | 1 | | |
| Strategic Planning Manager | Strategic Planning | £65,000 - £69,999 | 6 | £738,730 | |
| Transformation & Digital Services Manager | Transformation & Digital Services | £60,000 - £64,999 | 8 | £360,690 | |
| Major Projects Team Leader | Spatial Planning & Economic Development | £65,000 - £69,999 | 0 | -£473,660 | |
| Emergency Planning & Resilience Manager | Emergency Planning & Resilience | £50,000 - £54,999 | 2 | | |
| Audit Planning Manager | Mid Kent Audit | £50,000 - £54,999 | 1 | | Manager within shared service with Ashford, Swale and Tunbridge Wells Borough Councils. |
| Benefits Manager | Mid Kent Revenues & Benefits | £50,000 - £54,999 | 21 | | Manager within shared service with Tunbridge Wells Borough Councils. |
| Revenues Manager | Mid Kent Revenues & Benefits | £50,000 - £54,999 | 22 | | Manager within shared service with Tunbridge Wells Borough Councils. |
| Corporate Property Manager | Corporate Property | £50,000 - £54,999 | 7 | | |
| Development Management Team Leader | Development Management | £55,000 - £59,999 | 4 | | |
| Development Management Team Leader | Development Management | £55,000 - £59,999 | 4 | | |
| Development Management Team Leader | Development Management | £55,000 - £59,999 | 4 | | |
| Principal Planning Officer | Development Management | £55,000 - £59,999 | 0 | | |
| Principal Planning Officer | Development Management | £55,000 - £59,999 | 0 | | |
| Senior Planning Officer | Development Management | £50,000 - £54,999 | 0 | | |
| Senior Finance Manager (Client Accountancy) | Finance | £50,000 - £54,999 | 6 | | |
| Finance Manager | Finance | £50,000 - £54,999 | 2 | | |
| Financial Business Analyst | Finance | £50,000 - £54,999 | 0 | | |
| Housing Advice Manager | Housing & Inclusion | £50,000 - £54,999 | 15 | | |
| Communications Manager | Marketing & Communications | £50,000 - £54,999 | 7 | | |
| Mid Kent Learning & Development Manager | Mid Kent HR | £50,000 - £54,999 | 6 | | Manager within shared service with Swale Borough Council |
| Mid Kent HR Manager | Mid Kent HR | £50,000 - £54,999 | 6 | | Manager within shared service with Swale Borough Council |

| | | | | | |
|-------------------------------|-----------------------------------|-------------------|---|--|--|
| Applications Services Manager | Mid Kent ICT | £50,000 - £54,999 | 6 | | Manager within shared service with Swale and Tunbridge Wells Borough Councils. |
| ICT Security Manager | Mid Kent ICT | £50,000 - £54,999 | 0 | | Manager within shared service with Swale and Tunbridge Wells Borough Councils. |
| IT Business Manager | Mid Kent ICT | £50,000 - £54,999 | 0 | | Manager within shared service with Swale and Tunbridge Wells Borough Councils. |
| ICT Technical Manager | Mid Kent ICT | £50,000 - £54,999 | 8 | | Manager within shared service with Swale and Tunbridge Wells Borough Councils. |
| ICT Technical Manager | Mid Kent ICT | £50,000 - £54,999 | 6 | | Manager within shared service with Swale and Tunbridge Wells Borough Councils. |
| Transformation Team Leader | Transformation & Digital Services | £50,000 - £54,999 | 3 | | |

**Number of employees whose remuneration in 2023/24
is at least £50,000 in brackets of £5,000**

| Remuneration band | Number of employees in band |
|--------------------------|------------------------------------|
| £50,000 - £54,999 | 24 |
| £55,000 - £59,999 | 7 |
| £60,000 - £64,999 | 5 |
| £65,000 - £69,999 | 2 |
| £70,000 - £74,999 | 1 |
| £75,000 - £79,999 | 1 |
| £80,000 - £84,999 | 3 |
| £85,000 - £89,999 | 5 |
| £90,000 - £94,999 | 0 |
| £95,000 - £99,999 | 0 |
| £100,000 - £104,999 | 2 |
| £105,000 - £109,999 | 0 |
| £110,000 - £114,999 | 2 |
| £115,000 - £119,999 | 0 |
| £120,000 - £124,999 | 0 |
| £125,000 - £129,999 | 0 |
| £130,000 - £134,999 | 0 |
| £135,000 - £139,999 | 0 |
| £140,000 - £144,999 | 1 |
| Total | 53 |

Data transparency: Maidstone Borough Council organisation chart

