

AGENDA

MEMBER AND EMPLOYMENT AND DEVELOPMENT PANEL MEETING



Date: Tuesday 21 January 2014

Time: 9.00 am

Venue: Meeting Room 1C - Maidstone
House, King Street, Maidstone

Membership:

Councillors Black, Burton, Daley, Garland,
Mrs Joy, Lusty (Chairman), McKay,
D Mortimer, Moss, Mrs Ring,
J.A. Wilson and Mrs Wilson

Page No.

1. Apologies for Absence
2. Notification of Substitute Members
3. Notification of Visiting Members
4. Disclosures by Members and Officers
5. Disclosures of Lobbying

Continued Over/:

Issued on 13 January 2014

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Alison Broom

**Alison Broom, Chief Executive, Maidstone Borough Council,
Maidstone House, King Street, Maidstone, Kent ME15 6JQ**

6. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
7. Minutes of the Meeting Held on 10 July 2013 1 - 4
8. Report of the Chief Executive - Pay Policy Statement 5 - 32

MAIDSTONE BOROUGH COUNCIL

MEMBER AND EMPLOYMENT AND DEVELOPMENT PANEL

MINUTES OF THE MEETING HELD ON 10 JULY 2013

Present: Councillor Lusty (Chairman), and
Councillors Black, Burton, Daley, Garland, Mrs Joy,
McKay, D Mortimer, Mrs Ring, J.A. Wilson and
Mrs Wilson

1. **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Moss.

2. **NOTIFICATION OF SUBSTITUTE MEMBERS**

There were no Substitute Members.

3. **NOTIFICATION OF VISITING MEMBERS**

There were no Visiting Members.

4. **ELECTION OF CHAIRMAN**

RESOLVED: That Councillor Lusty be appointed Chairman for the Municipal Year 2013/14.

5. **ELECTION OF VICE CHAIRMAN**

RESOLVED: That Councillor Mrs Wilson be appointed Vice Chairman for the Municipal Year 2013/14.

6. **DISCLOSURES BY MEMBERS AND OFFICERS**

There were no disclosures by Members or Officers.

7. **DISCLOSURES OF LOBBYING**

There were no disclosures of lobbying.

8. **EXEMPT ITEMS**

RESOLVED: That the items on the Agenda be taken in public as proposed.

9. **MINUTES**

RESOLVED: That the Minutes of the Meeting held on 28 January 2013 be approved as a correct record and signed.

10. APPOINTMENT OF POLITICAL GROUP SPOKESPERSONS

It was noted that the following Political Group Spokespersons be appointed:-

Conservative – Councillor Garland
Liberal Democrat – Councillor Mrs Wilson

11. CALCULATION OF ELECTION EARNINGS

The Panel considered the report of the Chief Executive regarding further detail requested by the Panel on election earnings and specifically on the calculation of the fee payable to the Returning Officer.

RESOLVED: That the report be noted.

12. APPOINTMENT OF SUB COMMITTEES

The Panel considered the report of the Head of Policy and Communications regarding the appointment of the Panel's various Sub Committees.

It was raised that due to the restrictions of the Investigatory Sub Committee and Chief Officers Appeals Sub Committee, it was not possible for the Liberal Democrats to have a substitute on the Investigatory Sub Committee and Officers were asked to look at the options available to overcome this issue.

RESOLVED:

1. That the appointments to the Sub Committees, as set out at Appendix A to the report of the Head of Policy and Communications, be agreed.
2. That Officers report back to the Panel regarding the options available to overcome the issue with Substitute Members on the Investigatory Sub Committee.

13. MEMBERS' DEVELOPMENT BUDGET

The Panel considered the report of the Head of HR Shared Service regarding the programme for Member Development for 2013/14.

Members suggested some changes, including the deletion of Cabinet Away Days as it was not considered a training or development event, the number of Scrutiny Chairmen is 4 and using replacing the word "training" with "development" throughout the document. It was also raised that it was important to bring in outside experts when appropriate, rather than rely on in-house staff all the time.

RESOLVED:

1. That the programme and approach for Member Development for 2013/14, as set out in paragraph 1.3.7 of the report of the Head of HR Shared Service, be agreed.

2. That the budget allocation, as set out in Appendix 1 to the report of the Head of HR Shared Service, be agreed, subject to the following amendments:-
 - a) The word "training" be replaced by "development" throughout the document.
 - b) The number of Scrutiny Chairmen be amended to 4.
 - c) Cabinet Away Days be deleted from the programme.

14. WORKFORCE STRATEGY - UPDATE

The Panel considered the report of the Head of HR Shared Service regarding the progress made to implement the Workforce Plan which is designed to deliver the five key themes of the Workforce Strategy.

The Panel were shown a video made for the priority "Great Opportunity". The Panel felt it was important that this video was made available to all Members of the Council.

The Head of HR Shared Service answered queries raised by Members regarding, inter alia, universal credit, recruitment, statistics on leavers and wage levels.

RESOLVED:

1. That the work to date be endorsed and the plan for future activities be supported.
2. That the work for Member Development as part of the Workforce Strategy be supported.

15. MEMBER DEVELOPMENT POLICY

The Panel considered the report of the Head of HR Shared Service regarding the revised Member Development Policy.

Members were in support of the revised Policy and the emphasis on engagement by Members to development. A few amendments were suggested and these are set out below.

RESOLVED:

1. That the revised Member Development Policy be agreed for communication and implementation, subject to the following amendments:-
 - a) Page 2 - Stage 1 – Identifying Member Development Needs – delete first bullet point and replace with "Group Leaders are responsible for ensuring that processes are in place within the Group to identify individual development needs."
 - b) The word "training" be replaced with "development" throughout the document.

- c) Page 6 – Responsibility of all councillors – final bullet point to include “and officers” after “....to other members”
- d) Appendix 3 – Include Vice Chairmen in the Chairing Skills mandatory training.

16. DURATION OF MEETING

9.35 a.m. to 11.57 a.m.

MAIDSTONE BOROUGH COUNCIL

MEMBER AND EMPLOYMENT AND DEVELOPMENT PANEL

21st JANUARY 2014

REPORT OF THE CHIEF EXECUTIVE

Report prepared by Dena Smart, Head of HR Shared Service

1. Pay Policy Statement

1.1 Issue for Decision

- 1.1.1 A Pay Policy Statement must be agreed by full Council for publication by 31st March 2014. The Pay Policy Statement should set out the main aspects of the remuneration strategy of the council.
- 1.1.2 The Council met the target to publish a Pay Policy Statement by 31st March 2013 and the attached document has been updated to reflect changes during the year.

1.2 Recommendation of Head of Human Resources

- 1.2.1 That the Council be recommended to agree the proposed Pay Policy Statement set out at appendix 1 to this report prior to publication on the council's web site.

1.3 Reasons for Recommendations

- 1.3.1 Section 38 (1) of the Localism Act 2011 came into force on 15 January 2012 and required English and Welsh local authorities to produce a pay policy statement for 2012/13 and for each financial year after that. The government recently consulted on a revised code and the draft pay policy statement reflects the requirements of the revised code.
- 1.3.2 The matters that must be included in the statutory pay policy statement and the revised code of practice are as follows:
 - a local authority's policy on the level and elements of remuneration for each chief officer;
 - a local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition);
 - a local authority's policy on the relationship between the remuneration of its chief officers and other officers and in particular the pay multiple between the two;

- a local authority's policy on other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency;
- an organisation chart or description of the number and grades of staff in the top three layers of the organisation, with information on the grades of all those with salaries in excess of £50,000;
- details of trade union facility time including the number of trade union representatives for each of the recognised trade unions and the amount of time spent on trade union duties.

The reference to 'chief officer' refers to the statutory posts of Head of Paid Service, Monitoring Officer and Section 151 Officer plus any Deputy Chief Officers, which in our organisation includes anyone at Head of Service or above.

1.3.3 With regard to the process for approval, the pay policy statement:

- Must be approved formally by the council meeting
- Must be approved by the end of March each year
- Can be amended in year
- Must be published on the authority's website
- Must be complied with when the authority sets the terms and conditions for a chief officer

1.3.4 The Act specifically mentions that the pay policy statement may set out the authority's policies relating to other terms and conditions for chief officers and in the interest of open government there are recommendations that the pay policy statement sets out as much information relating to employee terms and conditions as is practical.

1.3.5 Terms and conditions of employment for employees is a non-executive function and the Member and Employment and Development Panel has delegated responsibility for this within the constitution.

1.3.6 The general approach of the Member and Employment and Development Panel has been to take the same approach to senior members of staff as that taken with all other employees in relation to the benefits available and the review processes followed. The council has a thorough approach that applies best practice in the areas of remuneration and equal pay.

1.4 Alternative Action and why not Recommended

1.4.1 The Council could choose to publicise a reduced version of the Pay Policy Statement that meets the minimum requirements of the Act but this is not recommended as it does not satisfy the need for

transparency and means that the data is not seen in the context of the good work already undertaken by the council.

1.5 Impact on Corporate Objectives

1.5.1 This supports the Workforce Strategy and the corporate objective Corporate and Customer Excellence.

1.6 Risk Management

1.6.1 The purpose of the report is not to change existing policy but to set out clearly the council's current position on pay, on this basis there are no risks associated with agreeing the Pay Policy Statement. There are risks associated with not publishing a Pay Policy Statement as the council would be in breach of the Localism Act 2011.

1.7 Other Implications

1.7.1

1. Financial
2. Staffing
3. Legal
4. Equality Impact Needs Assessment
5. Environmental/Sustainable Development
6. Community Safety
7. Human Rights Act
8. Procurement
9. Asset Management

X
X

The implications are set out in the report.

1.8 Relevant Documents

1.8.1 Appendices

Appendix 1 – Pay Policy Statement

1.8.2 Background Documents

None

Maidstone Borough Council

Draft Pay Policy Statement March 2014

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 developed many of 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 a non-executive function and the responsibility for decisions on these matters is delegated to the Member and Employment and Development Panel by full council. The terms of reference for this group are set out in the constitution as follows:

- a) to consider the applications received for the posts of Chief Executive and Directors and to compile a short list for interview and subsequently to interview and make appointments.
- b) to review annually the performance of the Chief Executive and Directors, to agree targets for the coming financial year, and agree any corrective action which may be required relating to the previous financial year.
- c) to consider all other matters concerning the terms and conditions of service of the post of Chief Executive, and to recommend accordingly to the Council.
- d) Power to determine terms and conditions on which staff hold office (including procedures for their dismissal.)
- e) to hear and determine appeals under the disciplinary procedures for staff on the JNC Conditions of Service for Chief Officers of Local Authorities
- f) to hear and determine appeals against decisions taken by the Chief Executive under the Disciplinary or Capability Procedures or to hear grievances raised against the Chief Executive under the Grievance Procedure

Where the decision of the Member and Employment and Development Panel has a budgetary implication beyond the agreed in year budget this will also require agreement from Cabinet.

3. Reward Strategy

The Reward Strategy was developed in full consultation with trade unions, staff and Members and was agreed by the Employment and Development Panel 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.

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 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. 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 Management Team. The process and timetable for appraisals and incremental progression for the Chief Executive and Directors is set out at Appendix I(C).

3.2 Market Supplements

Currently there are no employees in receipt of Market Supplements within the council. The policy that has been applied in times of recruitment difficulty 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.

Pensionable Pay is:			Contribution rate:
£0	to	£13,500	5.5%
£13,501	to	£21,000	5.8%
£21,001	to	£34,000	6.5%
£34,001	to	£43,000	6.8%
£43,001	to	£60,000	8.5%
£60,001	to	£85,000	9.9%
£85,001	to	£100,000	10.5%
£100,001	to	£150,000	11.4%
£150,001 and above			12.5%

The employer contribution rate 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.

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 2013/14 there were 9 people in receipt of Honoraria and by the end of March this had reduced to 4.

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 2013/14 these were received by five employees and there was a total of £3630 paid in cash awards.

Stand- By payments

These are paid to a small number of employees (twenty five in 2013/14) who are on an out of hour's 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, this has meant a reduction from over forty employees with lease cars in 2010 to three current employees. In 2010 there were in excess of ninety employees receiving either a lease car or cash alternative and this figure has reduced to fifty nine by March 2014. 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 in 2012/13 this was given to fifty six members of staff. The majority of those staff in receipt of this payment are within the statutory services which require external visits e.g. planning, environmental health and housing. Mileage rates for those receiving this allowance are at the HMRC level (in 2013/14 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 and 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 gives an award of £100 for 20 - 25 years service, £150 for 25 - 35 years and £250 for 35 + years.

Salary sacrifice schemes – the council offers a salary sacrifice scheme to employees for the purchase of bicycles and childcare vouchers. There is a small administration 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 2013/14 there were ten members of staff that used this benefit.

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 2013) 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'

	2011/12	2012/13	% change
Chief Executive earnings	123,657	122,720	-0.76 %
Median	19,158	18,028	-5.9%.
Pay Multiple	6.45	6.81	5.58%

	2012/13	2013/14	% change
Chief Executive earnings	122,720	120,727	-1.62%
Median	18,028	20,750	15.1%
Pay Multiple	6.81	5.82	-14.54%

The median salary has risen as a result of three main factors:

- The pay award in April 2014 moved the lowest pay point to the level of the Living Wage which meant that the award was 'bottom loaded' and pushed up the median pay point;
- The Hazlitt Theatre has been transferred to the private sector and this section consisted of a large number of employees that undertook very short periods of work resulting in low annual earnings, this reduction in numbers of low earners has pushed up the median;
- The TUPE transfer of the ICT Shared Service which had a number of professional staff paid above the median.

The Chief Executives earnings have reduced as a result of a reduction in the car allowance from £3887 to £3318 and a lower election fee of £5646 compared to £8671 in 2012/13. These reductions have been offset by the incremental rise in October 2013 when the Chief Executive basic salary rose from £108,698 to £111,628 as she is not yet at the top of her pay scale. 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.

The impact of the fall in the Chief Executive's salary and the rise of the median is that the pay multiple has fallen.

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 2013/14, monitoring will take place in the future for comparison purposes.

The number of trade union representatives is:

	Headcount	FTE
UNISON	3	3
UNITE	1	1
GMB	0	0

Estimated trade union spend as a percentage of the pay-bill is 0.0065%

(calculated as the number of full time equivalent days ($90/7.4 \text{ hours} = 12.16 \text{ days}$) spent on trade union duties multiplied by the average salary (£21,773 per annum /260 days = £84 per day) divided by the total pay bill £15,600,000).

6. Contact for further information

If you require any further information regarding the salary policy of the council you should contact Dena Smart, Head of HR Shared Services on 01795 417391 or by email on denasmart@maidstone.gov.uk

Appendix I(A)

Pay Scale 2013 -14 (this will need to be replaced with the up to date information following trade union consultation)

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	£14,373	£14,732					
3	£15,141	£15,520	£15,908				
4	£16,226	£16,632	£17,047				
5	£17,375	£17,809	£18,255	£18,711			
6	£19,269	£19,751	£20,244	£20,750			
7	£21,248	£21,780	£22,324	£22,883			
8	£23,248	£23,946	£24,664	£25,405			
9	£26,412	£27,204	£28,020	£28,861			
10	£29,415	£30,298	£31,207	£32,143			
11	£32,439	£33,413	£34,415	£35,447			
12	£36,154	£37,600	£39,104	£40,669			
13	£42,448	£44,291	£46,132	£47,931			
14	£58,352	£60,999	£63,647	£66,295	£69,439	£72,676	£74,832
15	£77,434	£80,830	£84,228	£87,625	£91,022	£94,419	£98,196
16	£102,836	£105,766	£108,698	£111,628	£114,560	£117,490	£122,190

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 Cabinet 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 Member and Employment and Development Panel.

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

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

Process	Dates	Papers Required
Chief Executive Appraisal and Director review with MEDP	March	
Mid Year Review – CEO with Chair of MEDP and Leader;	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 of MEDP	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 of MEDP	February	Appraisal produced from the meeting
Directors appraisals with CEO	February	Directors appraisals then CEO to write up and agreed by Directors
MEDP 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 2013 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 Directors 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 ie 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 1997 (as amended), the Local Government Pension Scheme (Administration) Regulations 2007¹ and the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007². Last updated July 2010.

- **Regulation 4 (1) (a)**²

The calculation of pensionable pay will include basic annual salary plus any other pensionable salary items from the following categories – Market Supplement/ Premium, Contractual Overtime, Contractual Bonus, Honorarium of greater than 12 month period, Salary Supplement eg for Emergency Planning responsibilities. The pensionable pay will be reviewed annually with effect from 1st April to identify the appropriate Band and Contribution percentage. If the Pay Award is not made on 1st April and the review of contribution rates will be delayed until the award is applied.

- **Regulation 11(2)**²

Where a scheme member's pensionable pay consists of fees, it is the policy of Maidstone Borough Council that, if this produced a higher figure, an average of all such fees for any 3 consecutive years ending 31 March within the period of 10 years ending with the last date of active membership may be used in the calculation of benefits.

- **Regulation 12 and 13**²

It is the policy of the Borough Council only to grant extra pension scheme membership to employees where there is a proven total benefit to the organisation which includes any costs that might be borne by the authority. Any such granting of extra scheme membership needs to be agreed between the Head of Human Resources and the relevant Director. Additional service will not be granted in respect of pre April 1972 service, which at the point of retirement has not been up rated.

- **Regulation 16 (4)ii**¹

If a scheme member wishes to aggregate the most recent of their periods of previous scheme membership with their current membership, it is the policy of

Maidstone Borough Council that the election must be made within 12 months of the Pension Section of Kent County Council being notified that the employee has again become an active member. 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.

- **Regulation 18(1)**²

It is Maidstone Borough Council's policy to only provide consent for flexible retirement and the immediate payment of benefits where there is no detrimental effect on the service. Any such consent requires the agreement of the Director of Human Resources and the relevant Director.

- **Regulation 18(3)**²

If consent has been given under Regulation 18(1), it is not Maidstone Borough Council's policy to waive, in whole or part, any actuarial reduction to the scheme member's benefits.

- **Regulation 22(2)**¹

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.

- **Regulation 25(3)**¹

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 30(2) and (5)**²

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. Any such consent shall be agreed by the Head of Human 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 and the relevant Director taking account of all the details involved in the case.

Where consent is given on the grounds of compassionate circumstances, full consideration must be given to the Kent County Council guidelines, and only after agreement between the Head of Human Resources and the relevant Director. In compassionate circumstances the Borough Council will be responsible for any additional costs deriving from the decision to release benefits prematurely.

- **Regulation 83(8)**¹

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.

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 (eg 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 hours 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 earnings shall remain as they were prior to any pay uplift (ie on a mark-time basis) but the calculation of the new earnings will be at the increased rate.

Conditions of Protection

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

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

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

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**

**Proposed scale of fees for District/Borough and
Parish Council elections held on or after 1st April 2014**

ITEM	Current 2013 £	Proposed 2014 £	% increase
1. For each Presiding Officer at a Polling Station – single election	197.25	199.22	1.00
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)	242.32	244.74	1.00
3. For a Presiding Officer who acts as a supervisor at a Polling Place where there is more than one Polling Station	(additional) 9.56	(additional) 9.66	1.05
4. Presiding Officer travel (see note 4 below)	13.52	13.66	1.04
5. For each Poll Clerk at a Polling Station – single election	118.35	119.53	1.00
6. For each Poll Clerk at a Polling Station – combined election (at the discretion of the Returning Officer)	146.52	147.99	1.00
7. Poll Clerk travel (see note 4 below)	7.86	7.94	1.02
8. Supervising Officer – for every 10 polling stations overseen	197.25	199.22	1.00
9. For each Presiding Officer, Poll Clerk and Supervising Officer attending training	43.78	44.22	1.01
10. For each training session provided by the Returning Officer to Presiding Officers and Poll Clerks	169.09	170.78	1.00
11. For the delivery of official Poll Cards by hand	0.34	Up to 2 nd class postage rate	-
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	69.01	69.70	1.00

ITEM	Current 2013 £	Proposed 2014 £	% increase
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)	67.63	68.31	1.01
14. For each recount of the votes – for each 500 electors (or part) (see note 3 below)	3.97	4.01	1.01
15. Travel of staff in connection with the counting of votes (at the discretion of the Returning Officer – see note 4 below)	7.86	7.94	1.02
16. For clerical and other assistance required by the Returning Officer at an uncontested election – for each 500 electors (or part)	18.77	18.96	1.01
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)	53.45	53.98	0.99
(b) contested joint election (i.e. with District/Borough) – for each 500 electors (or part)	26.72	26.99	1.01
18. Payment to the District/Borough for the use of Council staff at an uncontested election – per uncontested election (see note 5 below)	14.74	14.89	1.02
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)	29.87	30.17	1.00
(b) contested joint District/Borough AND Parish election – for each 500 electors (or part)	41.26	41.67	0.99
(c) uncontested District/Borough election – single fee	51.15	51.66	1.00
(d) uncontested Parish election – single fee	17.52	17.70	1.03

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

Position	Reporting Unit	Remuneration	No of staff under control	Other services/responsibilities
Chief Executive	Chief Executive	£120,000 - £124,999	584	Returning Officer responsible for all elections & Head of Paid Service
Director of Environment & Shared Services	Environment & Shared Services	£100,000 - £104,999	240	
Director of Regeneration and Communities	Regeneration and Communities	£100,000 - £104,999	221	Section 151 Officer
Head of HR Shared Service	Environment & Public Realm	£75,000 - £79,999	129	
Head of Environment & Public Realm	Finance & Resources	£65,000 - £69,999	104	
Head of ICT Shared Service	Policy & Communications	£60,000 - £64,999	64	
Head of Audit Partnership (MBC)	Housing & Community Services	£65,000 - £69,999	61	
Head of Policy & Communications	Commercial & Economic Development	£60,000 - £64,999	53	
Head of Legal Services	Revenues & Benefits Shared Service	£60,000 - £64,999	42	Head of shared service with Tunbridge Wells Borough Council
Head of Finance & Resources	Planning & Development	£65,000 - £69,999	42	
Head of Housing & Community Services	ICT Shared Service	£75,000 - £79,999	35	Head of shared service with Swale and Tunbridge Wells Borough Councils
Head of Planning & Development	Property, Procurement & Facilities Management	£60,000 - £64,999	32	
Head of Revenues & Benefits Shared Service	ICT Shared Service	£60,000 - £64,999	19	Manager within shared service with Swale and Tunbridge Wells Borough Councils
Head of Commercial & Economic Development	Human Resources Shared Service	£80,000 - £84,999	16	Head of shared service with Swale Borough Council
Communications Manager	ICT Shared Service	£60,000 - £64,999	13	Manager within shared service with Swale and Tunbridge Wells Borough Councils
Chief Information Officer	Economic Development & Regeneration	£50,000 - £54,999	7	
Chief Technology Officer	Building Control	£50,000 - £54,999	6	Remuneration also includes Emergency Planning supplement
Property & Procurement Manager	Business Improvement	£55,000 - £59,999	5	

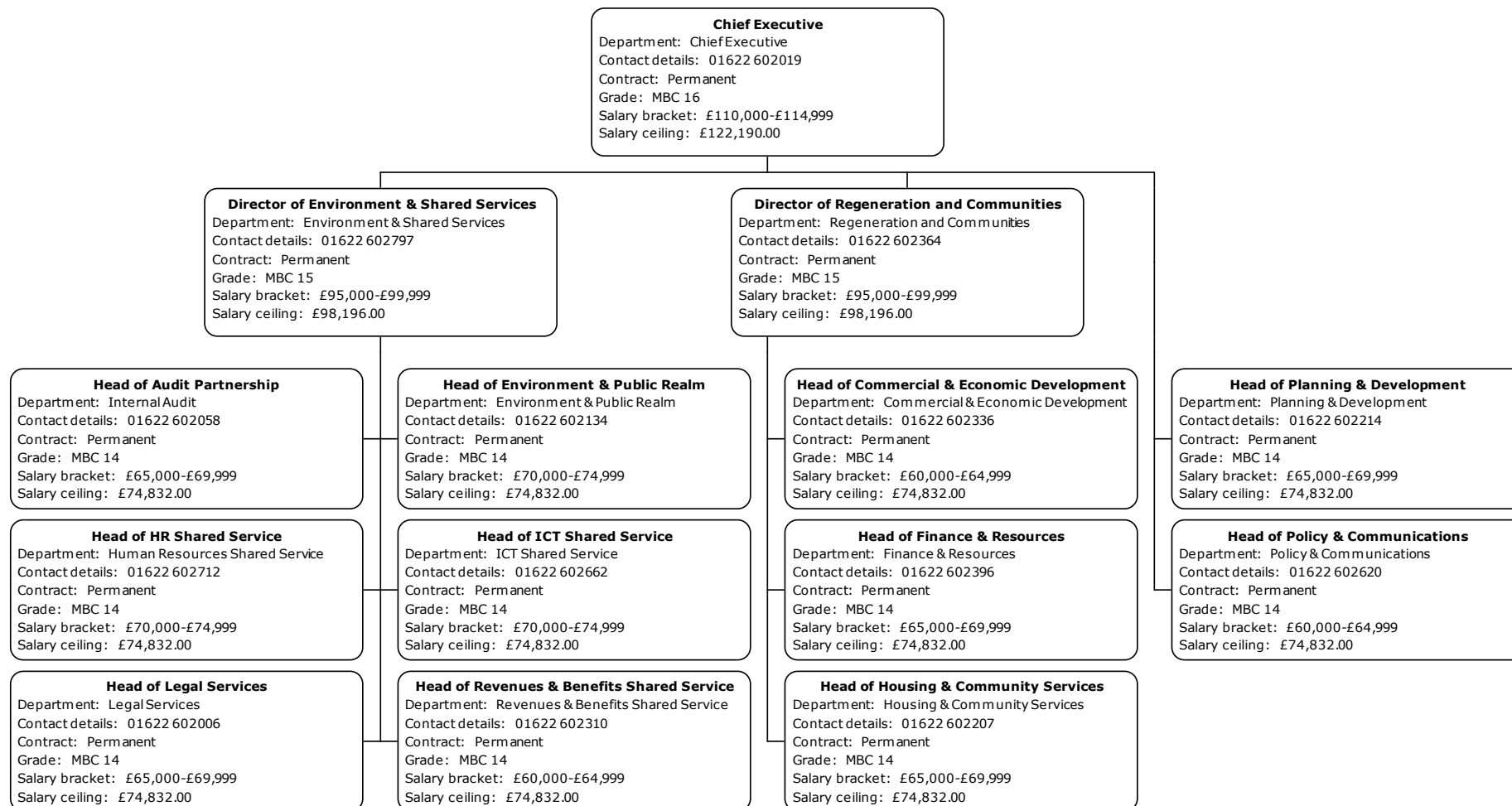
Business Improvement Manager	Human Resources Shared Service	£50,000 - £54,999	4	Manager within shared service with Swale Borough Council
Economic Development & Regeneration Manager	Internal Audit	£70,000 - £74,999	4	Head of partnership with Ashford, Swale and Tunbridge Wells Borough Councils
Building Surveying Manager	Communications	£65,000 - £69,999	3	
HR Shared Service Manager	Legal Services	£65,000 - £69,999	2	Monitoring Officer

Number of employees whose remuneration in 2013/14 is at least £50,000 in brackets of £5,000

31

Remuneration band	Number of employees in band
£50,000 - £54,999	3
£55,000 - £59,999	1
£60,000 - £64,999	6
£65,000 - £69,999	5
£70,000 - £74,999	1
£75,000 - £79,999	2
£80,000 - £84,999	1
£100,000 - £104,999	2
£120,000 - £124,999	1
Total	22

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.



Year ending 31 March 2014