

AGENDA

MEMBER AND EMPLOYMENT AND DEVELOPMENT PANEL MEETING



Date: Wednesday 9 July 2014

Time: 4.30 pm

Venue: Town Hall, High Street,
Maidstone

Membership:

Councillors Mrs Blackmore, Burton, Chittenden,
Cox, Daley, Greer, Mrs Joy, McKay,
McLoughlin, Munford, Round, Sargeant
and Mrs Wilson

Page No.

1. Apologies for Absence
2. Notification of Substitute Members
3. Notification of Visiting Members
4. Election of Chairman
5. Election of Vice Chairman
6. Disclosures by Members and Officers

Continued Over/:

Issued on 1 July 2014

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Alison Broom

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

| | | |
|-----|--|---------|
| 7. | Disclosures of Lobbying | |
| 8. | To consider whether any items should be taken in private because of the possible disclosure of exempt information. | |
| 9. | Minutes of the meeting held on 21 January 2014 | 1 - 2 |
| 10. | Appointment of Political Group Spokespersons | |
| 11. | Pension Discretions Policy | 3 - 9 |
| 12. | Learning and Development Budget/Plan 2014-2015 | 10 - 17 |
| 13. | Proposed Changes to Staff Terms and Conditions | 18 - 30 |

MAIDSTONE BOROUGH COUNCIL

MEMBER AND EMPLOYMENT AND DEVELOPMENT PANEL

MINUTES OF THE MEETING HELD ON 21 JANUARY 2014

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

17. APOLOGIES FOR ABSENCE

It was noted that apologies for absence were received from Councillors Mrs Ring and Mrs Wilson.

18. NOTIFICATION OF SUBSTITUTE MEMBERS

It was noted that Councillor Collins was substituting for Councillor Mrs Ring.

19. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

20. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

21. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

22. EXEMPT ITEMS

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

23. MINUTES OF THE MEETING HELD ON 10 JULY 2013

RESOLVED: That the Minutes of the Meeting held on 10 July 2013 be approved as a correct record and signed.

24. PAY POLICY STATEMENT

The Panel considered the report of the Chief Executive regarding the Pay Policy Statement to be approved by full Council.

The Head of HR Shared Service responded to questions raised by Members with regard to, inter alia, living wage, market supplements and the Hay system of job evaluation.

The Head of HR Shared Service stated that Appendix 1(H) was inaccurate and that the correct version would be circulated to Members of the Panel and attached to the recommendation to Council.

The Head of HR Shared Service explained that the Pay Policy Statement was not required to be reviewed by the Panel and could go direct to Council if Members wished. However, Members felt it was important for the Panel to continue to review it and recommend it to full Council.

RESOLVED:

- a) That Council be recommended to agree the proposed Pay Policy Statement, as attached at Appendix 1 to the report of the Chief Executive and subject to the inclusion of the correct version of Appendix 1(H), prior to publication on the Council's website.
- b) That the Member and Employment and Development Panel continue to review the Pay Policy Statement on a yearly basis before being recommended to Council.

25. **PERFORMANCE SUB COMMITTEE**

The Chairman asked the Panel if, further to the press reports regarding his disagreement with the Chief Executive, they would be happy for him to continue to be on the Performance Sub Committee which conducts the Chief Executive's appraisal. He stated that he was able to remain objective, but would stand down if the Panel felt it appropriate.

There were no objections raised and it was unanimously agreed.

RESOLVED: That Councillor Lusty remain on the Performance Sub Committee of the Member and Employment Development Panel.

26. **DURATION OF MEETING**

9.00 a.m. to 9.55 a.m.

MAIDSTONE BOROUGH COUNCIL

MEMBER AND EMPLOYMENT AND DEVELOPMENT PANEL

WEDNESDAY 9 JULY 2014

REPORT OF CHIEF EXECUTIVE

Report prepared by Dena Smart
Head of Human Resources

1. PENSION DISCRETIONS POLICY

1.1 Issue for Decision

- 1.1.1 To agree the Maidstone Borough Council Policy relating to the Employer Discretions within the Local Government Pension Scheme (LGPS).

1.2 Recommendation of Head of Human Resources

- 1.2.1 It is recommended that the Member and Employment and Development Panel agree the amended policy on Employer Discretions as set out in draft at Appendix A.

1.3 Reasons for Recommendation

- 1.3.1 Within the Local Government Pension Scheme regulations there are several terms about which each employer must have a policy and this should be communicated to employees within the scheme. If the employer does not have a policy then the pension scheme administrator will either refer every case separately to the employer or default to the minimums set out in the regulations. The last time this policy was amended was July 2010 but with the major reform of the LGPS in 2013 the regulations have changed and under Regulation 60(1) of the Local Government Pension Scheme Regulations 2013, it is compulsory for all employers to make a policy decision under Regulations 16(2)(e), 16(4)(d), 30(6), 30(8) and 31 and Paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and amendments) Regulations 2014 .
- 1.3.2 The pension regulations are extremely complicated and the council relies upon the advice of the pension administrators to guide us in the pension discretions policy. The practice in previous years within MBC and most other employers in Kent have been to mirror the same

discretions as Kent County Council and the attached policy reflects this.

1.4 Alternative Action and why not Recommended

- 1.4.1 The Member and Employment and Development Panel must ensure that the Council has a policy on these employer discretions. If the Panel did not agree to adopt the policy the council would not meet its statutory requirements. The panel could choose to vary the wording of the policy in some way but further advice would need to be taken to ensure that the change did not constitute a breach of the regulations.

1.5 Impact on Corporate Objectives

- 1.5.1 Failure to amend the existing policy would mean that the Council was not meeting the legal pension regulation requirements.

1.6 Risk Management

- 1.6.1 There are risks to the Council if it does not have a published policy; the purpose of this paper is to ensure the Council meets this legal requirement.

1.7 Other Implications

1.7.1

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

1.7.2 Financial - All pension scheme changes have some impact on the ultimate cost of the scheme, these have been anticipated within current budgets.

1.7.3 Staffing - These proposals can potentially affect both current and future employees. We have a duty to inform all current members of the pension scheme of the change and this cannot then be implemented until one month and one day after the information has gone out.

1.7.4 Legal - There is a legal requirement for us to have a policy on the Employer Discretions and for this policy to be up to date.

1.8 Relevant Documents

1.8.1 Appendices

Appendix A Pension Discretion Policy

1.8.2 Background Documents None

| <u>IS THIS A KEY DECISION REPORT?</u> | | <u>THIS BOX MUST BE COMPLETED</u> | |
|---|--------------------------|--|-------------------------------------|
| Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| If yes, this is a Key Decision because: | | | |
| | | | |
| Wards/Parishes affected: | | | |
| | | | |

DRAFT
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.

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

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

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

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

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

Employees who have previous LGPS pension benefits in England and Wales will automatically have these aggregated with their new LGPS employment unless they elect within 12 months of commencing membership of the LGPS in the new employment to retain separate benefits. Maidstone Borough Council has the discretion to extend this period beyond 12 months and each case will be considered

on its own merits by the Head of Human Resources, the Head of Finance and 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 Director 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.

Agenda Item 12

MAIDSTONE BOROUGH COUNCIL

MEMBER AND EMPLOYMENT AND DEVELOPMENT PANEL

9 JULY 2014

REPORT OF HEAD OF HR SHARED SERVICE

Report prepared by Catherine Harrison,
Learning and Development Manager

1. MEMBERS' DEVELOPMENT BUDGET

1.1 Issue for Decision

- 1.1.1 To review the programme for Member Development for 2014/15 including any additional new needs.

1.2 Recommendation of the Head of HR Shared Service

- 1.2.1 That the budget allocation as set out in Appendix A be agreed.

1.3 Reasons for Recommendation

- 1.3.1 Currently Member Learning and Development activities are planned by the Learning & Development Shared Service Manager in consultation with Members and Key Officers. Due to the nature of the Council and the way that the elections take place, many of the same learning activities, including conferences, need to be provided each year.
- 1.3.2 This being said, there are many more learning activities that are required in line with the needs identified by Members themselves, legislation, central government and those that arise from our commitment to partnership working and our desire to learn from each other and best practice.
- 1.3.3 The plan aims to address as many learning needs as possible, for example:
- Individual skills building
 - Legislative requirements
 - Role related
 - Corporate requirements
 - Networking and keeping up-to-date
 - Knowledge and future focus

1.3.4 It is proposed that the key areas for Member Development this year are:-

- Support and build on existing skills for their role in the community now and in the future
- Support and build on existing skills for the various roles undertaken within and on behalf of the Council

1.3.5 It is important to ensure that an effective planning process is in place for all learning activities and that this planning process involves Members. With a continued commitment to provide value for money in all aspects, it is imperative that careful thought is given to how the Member budget is spent to ensure that maximum value from each activity is achieved.

1.3.6 The responsibility for ensuring value for money rests with everyone and it is vital that all learning is shared effectively with all Members and disseminated widely.

1.4 Alternative Action and why not Recommended

1.4.1 An alternative would be to only book activities and events on an 'ad hoc' first come, first served basis. This is not recommended as this will eliminate the possibility for taking a strategic approach to Member training. It is necessary to take a wider view in order to establish which conferences/learning activities will have the biggest impact on supporting the effective performance of Members in their role and/or the greatest impact for all Members.

1.5 Impact on Corporate Objectives

1.5.1 Effective Member development supports the delivery of the Council's corporate objectives.

1.6 Risk Management

1.6.1 The Council has made an on-going commitment to provide Members with the required tools and development to effectively equip them to perform their roles. This part planned and part emergent approach gives reassurance that member learning needs are being identified and met, resulting in better delivery of the services to constituents. Adapting to the changes faced by members and planning for some aspects of learning to be done in a more emergent way, means that the risk of 'getting it wrong' by training on areas that are not yet fully clear is mitigated

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

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| X |
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1.7.2 Financial

The annual budget for Member Development is £11,100. This budget will be used to resource the proposed programme set out in Appendix A.

1.8 Relevant Documents

1.8.1 Appendices

Appendix A – Member Development Budget Plan 2014/15

1.8.2 Background Documents

None

| <u>IS THIS A KEY DECISION REPORT?</u> | | <u>THIS BOX MUST BE COMPLETED</u> | |
|---|--------------------------|--|-------------------------------------|
| Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| If yes, this is a Key Decision because: | | | |
| | | | |
| Wards/Parishes affected: | | | |
| | | | |

MAIDSTONE BOROUGH COUNCIL

REPORT OF THE HEAD OF HUMAN RESOURCES/DEMOCRATIC SERVICES

MEMBERS DEVELOPMENT BUDGET 2014/2015

Recommendations agreed from previous years and ongoing commitments (costs are approximate)

| Activity | No's | Further details | Cost | Total |
|--|--|---|-------------------------------|-------|
| Planning | | | | |
| General Planning Committee Training 14 | New members only All committee members and substitute members and open to all members Parish members will be invited to some sessions | Basic Planning awareness for all new members done in 4 modules by internal officers. When new legislation is introduced our internal officers will ensure that all members of the committee and substitute members are kept up to date and will carry out briefings/workshops as necessary with the support of Learning and Development. | Officer time only | £0.00 |
| Planning Tour | Committee, Subs, Cabinet | This is a tour of local planning sites and is used as a learning tool through observation and discussion. The tour of planning sites is part of the MBC Constitution's Planning Code (Section 13). The Planning Code states that this tour has to be arranged at least annually. | Cost only related to expenses | £0.00 |
| Localism in relation to | All members/Parishes | The areas from the Localism Bill that impact on Planning will be shared with members as and when they emerge. Sessions | Officer/member time only | £0.00 |

| | | | | |
|--------------------------------|---|---|---|----------|
| planning | | will be developed with officers and members of the planning committee as appropriate | | |
| Overview & Scrutiny | | | | |
| Overview & Scrutiny | 4 | Members Scrutiny Academy (annual conference). We recommend that the 4 Chairpersons attend the conference as agreed by the Head of Policy and Communications and the scrutiny coordinating committee. | £149.00 PP | £596.00 |
| 15 | New members | New members of any Scrutiny committee will attend training on General Scrutiny skills, run by internal officers. | Officer time only | £0.00 |
| | Open to all members | Awareness and refreshers will be provided to all committee members as needed - internally. | Officer time only | £0.00 |
| | All O&S committee members and open to all members | There will be a workshop on developing the relationship between Cabinet and Overview and Scrutiny as agreed by the coordinating committee. | External trainer/facilitator supported by Internal officers | £1000.00 |
| Licensing | | | | |
| Licensing Training | All committee Members & subs | Ongoing requirement to update committee on legislation, often also complimented by briefings by officers. There will be two training sessions each running for 2 to 2.5 hours. This will cover all key topics, e.g. Gambling, Licensed premises, hackney Carriage and Private Hire etc | Officer time only | £0.00 |
| National Training Event | 1 | One Spokesperson of Licensing to attend the annual conference for Licensing which updates on new legislation and best practice. Upon return disseminate all relevant information and learning points to members utilising the mechanisms as highlighted in the Member Development Policy. | £495.00 (for full residential 2 days) | £495.00 |

| Audit | | | | |
|------------------------------------|---------------------------------------|--|--|------------------------------|
| Audit Committee Training | Audit committee members and subs | <p>Audit committee will require training.</p> <p>A new training needs analysis will be carried out in September 2014. From this the learning needs and approach can be detailed specifically. It is likely that some external training will be needed, thus some funds have been set aside for this. If all or part of these funds are not utilised then these funds will be maintained in the budget for 'ad hoc' general training needs that may arise over the coming year.</p> | <p>Officer time only</p> <p>£1000.00</p> | <p>£0.00</p> <p>£1000.00</p> |
| Housing | | | | |
| Housing | Open to all members | <p>Training proposed for 2014-2015 to include:</p> <p>General housing legislation overview (homelessness & new build)</p> <p>The new Allocation Scheme</p> <p>Housing Assistance Policy (grants)</p> <p>Private Sector Housing enforcement and interventions</p> | Officer time only | £0.00 |
| Conferences | | | | |
| LGA Conference | Leader | The Leader to attend this conference, if the Leader is unable to attend then 1 member from the Cabinet | £495.00 PP | £495.00 |
| LGA Annual Rural Conference | 1 | One member to attend | £229.00 | £229.00 |
| General | | | | |
| Cabinet Away Days | Cabinet | There are a number of Cabinet away-days throughout the year focusing on various priorities, these are set up and run with members by CLT with input from Senior Managers as appropriate. | Officer time only | £0.00 |
| LGA Leadership Academy | 1 councillor in a leadership position | One Member to attend this training and upon return disseminate all relevant information and learning points to members utilising the mechanisms as highlighted in the | £1000.00 | £1000.00 |

| | | | | |
|---|------------------------|---|-------------------------------------|----------------|
| | | Member Development Policy. | | |
| Inductions for new members | All new members | See "Essential Member Development Programme for New Members 2014" | Officer time only and some expenses | £500.00 |
| Briefing: Citizens Advice Bureau | All members | The CAB partnership approach to resident assistance. An open session before full council to ensure members are aware of the service they give. | | |
| General Training | Offered to all members | General Media & Social Media Accelerated Reading Respecting Difference (Equality and Diversity) | £1000 £1750 £1850 | £4600 |
| 17 | | Member Personal Development Planning sessions are also on offer to any member delivered by the Learning & Development Shared Service Manager In addition - other training sessions that are included on the Corporate Training Calendar are also on offer to members. For example, report writing. | | |
| | | Total currently allocated | | £9915 |
| | | Budget for 14/15 | | £11,100 |
| | | Variance to be held in budget for emerging needs | | £1185 |

Agenda Item 13

MAIDSTONE BOROUGH COUNCIL

MEMBER AND EMPLOYMENT AND DEVELOPMENT PANEL

WEDNESDAY 9 JULY 2014

REPORT OF CHIEF EXECUTIVE

Report prepared by Dena Smart
Head of HR Shared Services

1. PROPOSED CHANGES TO STAFF TERMS AND CONDITIONS

1.1 Issue for Decision

- 1.1.1 To confirm the changes which have been negotiated with trade unions in connection with the pay award for 2014/15.

1.2 Recommendation of Chief Executive

- 1.2.1 That the link to National Joint Council (NJC) terms and conditions is removed from all contracts of employment.
- 1.2.2 That the annual leave entitlements are reduced for new employees in line with the levels negotiated with the trade unions.
- 1.2.3 That unsocial hour's allowances are removed from the council's allowances subject to the exceptions set out in the report below.

1.3 Reasons for Recommendation

- 1.3.1 The council has been on local pay since the early 1990's when it came away from the NJC rates and introduced the HAY pay scale. As part of this the council set up local pay bargaining with the trade unions which are set out in the trade union collective agreement, these processes have been followed very effectively and have enabled the council to deliver considerable change with minimal employee relation difficulties. We consult on the pay award every year through this process and in some years there have been changes to other terms and conditions associated with the pay consultations. In the current process we have used the opportunity to streamline some of our policies and terms and also used it as an opportunity to move some of our policies closer to those of our Mid Kent Improvement Partnership (MKIP) councils. The briefing note that went to all staff is attached at Appendix A which sets out the full extent of the proposed changes. The Member and

Employment and Development Panel is the non-executive committee that has responsibility for setting employee terms and conditions and would need to confirm agreement to any significant contractual variation (this would not include policy changes such as work/life balance policies as these are not contractual); the MEDP is not responsible for the agreement of the pay award as this is a budgetary responsibility of the Cabinet. Although several of the proposed changes are minor policy changes some are significant changes to terms and conditions and these are set out below.

1.3.2 Over the years the council has developed its own employment policies, some of these mirror the NJC terms e.g. maternity leave arrangements, and some are quite different from NJC allowances e.g. car mileage rates. Despite the fact that we have our own terms and conditions our contracts of employment still refer to the NJC and this could be a risk in the future. With the link into the NJC any national level disputes could affect our staff and as we do not place any reliance on the NJC terms the trade unions have been consulted to break this link. The trade unions have not had any issues with this change as it will not make any difference to the employees' terms and conditions as all our own policies superseded the NJC terms.

1.3.3 We have compared the terms and conditions across the MKIP employers and wherever possible have tried to use this opportunity to move them closer together. Although some of the changes are very operational this is largely to assist line managers that have staff in more than one organisation and are trying to manage with three different sets of rules. One example of this is the flexi time policy, all three councils allow staff to work flexi time but the rules differ across the three, this is an unnecessary complication and the consultation process was to gain the trade unions agreement to changing the rules. The three MKIP councils now have an established joint policy group that is working on shared policies and the flexi time policy will be changed through that process.

1.3.4 The comparison of the terms and conditions across the three MKIP councils highlighted that Maidstone was more generous than the other employers on the annual leave policy. Although this is not an immediate direct cost saving the generous holiday entitlements do cause difficulty with cover in some teams. The comparison is in the table below:

| Maidstone | Swale | Tunbridge Wells |
|---|--|--|
| Grades 1-7 22 (+5); Grades 8-11 - 25(+5); Grades 12-13 27 (+5); Grades 14-16 32 (+5) plus 1 day for 25 years' service | Grades 1 to 3 22 (+5); Grades 4-7 26 (+4); Grades 8-12 30days; Grades 13- 14 32days | Grades A-F 22 (+5) Grade G 24 (+3) Grades H-K 26 (+3) Grades SM3 - CE 32 (+3) additional 5 days for over 30 years LG service |

The proposal agreed in principle with the trade unions is that for newly recruited staff the annual leave entitlements would change to:

Grades 1-7 22 days per year (+5 after 5 years' service);
Grades 8-11 – 24 days per year (+3 after 5 years' service);
Grades 12-13 26 days per year (+3 after 5 years' service);
Grades 14-16 32 days per year

The current additional day for 25 years' service would be removed, although those that have already been given this additional day will be allowed to retain it. Staff that change their job will move to the new annual leave scheme with effect from the next annual leave year.

The proposals have only been agreed by the trade union because they give protection to existing employees and this has avoided employee relations issues, however the only area of the proposals that have caused any difficulty relates to the proposal that if an employee moves role they have to take on the new annual leave entitlements.

As the annual leave entitlement is one of our core terms and conditions this change will need to be ratified by the MEDP.

1.3.5 The council has a provision for the payment of unsocial hours, this was linked to the NJC terms and conditions. Neither of the other MKIP councils make additional payments for unsocial hours and in reality this is an allowance that is rarely paid to members of staff at Maidstone. The provision was for time and a half to be paid at night and on Saturdays and double time on Sundays. With the change to work patterns in the last decade this allowance is out of date and where a member of staff knows in advance that they are going to work at an unsocial time this is part of their core contract and they should not receive payment enhancements. The council does have a significant proportion of work undertaken at the weekends through the depot staff but the majority of this is through overtime working and therefore does not attract additional unsocial hours payments.

1.3.6 There are two exceptions to this unsocial hours arrangement. The Civic Officers are currently paid time and one third for 'out of hours' work, this was a rate specifically for that post and we have agreed with the trade unions that the current Civic Officers can retain the enhancement as a 'frozen rate' but any new recruits would know the nature of the role before starting and would therefore be paid at plain time regardless of when they worked.

The second exception relates to work on the Emergency Planning rota. The current arrangements are that members of staff are paid overtime rates if they work on the emergency planning team in addition to their

normal job. There are some inequities in this arrangement as people at very different levels in the organisation may take on the same role in an emergency e.g. Rest Centre Manager but because they are paid overtime on their substantive job they are paid different amounts for doing the same task. There is an agreement with the trade unions that we will review the emergency planning duties and develop a 'rate for the job' some aspect of which may reflect that pay could vary depending on when the shifts are worked.

As the removal in this allowance constitutes a change to terms and conditions the MEDP is asked to ratify the proposal.

- 1.3.7 Consultation with the trade unions began in March 2014 and the proposals went out to staff in May 2014 followed by a vote amongst union members. There was 100% agreement amongst UNITE members and a 72% yes vote from UNISON. All those aspects of the proposals that would not constitute formal terms and conditions will be implemented with immediate effect but the MEDP ratification is required for the three terms and conditions items.

1.4 Alternative Action and why not Recommended

- 1.4.1 The MEDP could choose to substitute other options for consultation but this would require further consultation with staff and as the pay increase has been agreed and implemented there may be insufficient leverage to gain agreement.

1.5 Impact on Corporate Objectives

- 1.5.1 This has a direct impact on employee engagement and is one of the five strands of the council's Workforce Strategy.

1.6 Risk Management

- 1.6.1 The greatest risk seems to be relating to staff morale as there have been several complaints about the change to annual leave for existing staff when they move to another role within the council and this could discourage people from moving to new positions. This could be mitigated by extending the protection so that all current employees are allowed to remain on the current schemes whilst they remain employed with the council.

1.7 Other Implications

1.7.1

1. Financial
2. Staffing

| |
|---|
| |
| X |

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

| |
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| |

1.7.2 There are no financial implications as the pay award has already been agreed, implemented and is contained within existing budgets.

1.7.3 Staffing implications are explained within the body of the report.

1.8 Relevant Documents

1.8.1 Appendices

Appendix A Pay briefing for staff

IS THIS A KEY DECISION REPORT?

THIS BOX MUST BE COMPLETED

Yes

☐

No

☒

If yes, this is a Key Decision because:

.....

Wards/Parishes affected:

.....

Appendix A

Maidstone Borough Council

All Staff Briefing – Pay Award Consultations 2014/15

Dear Colleague

This briefing note is designed to give you information on the annual pay consultation process and the council's proposals for change.

If you are a member of one of the trade unions you will also be asked separately, by them, to identify whether you want them to agree to the council's proposals and accept the pay offer on behalf of all employees.

Background

The council and trade unions (UNISON and UNITE) conduct annual pay bargaining to determine changes to both pay scales and any associated terms and conditions. The council has been on local pay since the 1990's and there has been a track record of successful pay bargaining since that time.

In recent years at **national** level there was a **pay freeze** during the period 2010 – 2013 and in 2013/4 there was a 1% pay increase. This council has consistently aimed to recognise the expectations of staff to maintain their pay levels and although council budgets have not been able to match the level of pay inflation over recent years there has not been any year in which there have been zero pay awards for all staff. The council has also endeavoured to improve the rate of progress of those in the lowest pay grades through 'bottom loading' the pay awards.

2013 – 1% pay increase but Living Wage reflected for the lowest paid

2012 – £250 to new grades 2- 6

2011 - £250 to grades below grade 8

2010 – 0.5% to all grades

The budget for 2014/15 contained up to 1% for pay inflation (in addition to incremental progression) and the council plans to use this on the pay award. The pay inflation is not proposed to be paid across the board as a percentage but as a flat rate increase of £250 on all pay scale points, this represents an award of between 1.7 and 0.2%; in addition the first point of grade 2 has been increased to reflect the current Living Wage level. The proposed pay scales are set out at the end of the document.

In addition to the pay scales and as part of an overall package, the council has been consulting on changes to some of our terms and conditions which are set out below. These changes will enable us to more closely mirror the benefits in the other MKIP partners, cease allowances which are infrequently used or save money. Finally, the council's contracts of employment have continued to refer to the NJC terms and conditions and these proposals mean that our local terms and conditions will now completely replace these links and this clause will be removed.

Although this consultation process has been delayed beyond 1st April once agreed all payments will be backdated to this date.

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Summary of proposals

| Benefit | Consistency with partners | Cost saving or efficiency |
|--|---------------------------|---------------------------|
| Reduction in annual leave allowances for new starters to: Grades 1-7 22 (+5 after five years); Grades 8-11 24(+3 after five years); Grades 12-13 26 (+3 after five years); Grades 14-16 32 Protection to existing staff on their current schemes whilst in current post. | Yes | Yes |
| Unsocial hours payments removed These are rarely paid in normal circumstances - however there is recognition that the emergency planning payments need to be agreed. | Yes | |
| Compassionate Leave reduced from 7 to 5 days | Yes | |
| Flexitime arrangements to be standardised across MKIP partners – core hours, debit/ credit rules etc. The new rules to be developed jointly in the next few months. | Yes | |
| Excess Travel Policy – new policy – draft attached. | Yes | |
| Maternity Support Leave removed (rarely used benefit) | Yes | |
| Retirement Gift to be removed and current Long Service Award to be replaced with Service Recognition Award – draft attached | Yes | |

The trade unions have requested:

- that there is a transitional arrangement for the retirement gifts for anyone due to retire in the next year and this has been agreed;
- that there is some flexibility for compassionate leave to be extended to a maximum of 7 days if there are exceptional circumstances – this has been agreed.

In addition the council has already agreed changes to its Home working policy (available on the intranet) which sets a maximum limit of £10 per month available for Broadband for **permanent** home workers

There has also been an ‘in principle’ discussion about the complete closure of Maidstone House between Christmas and New Year. This would mean that staff would have to reserve some of their own annual leave to cover these days. Although there is currently no Member direction on this option management would want to reserve the right to introduce this way of working with a minimum six month notice period to ensure staff have the opportunity to reserve their annual leave for the

Appendix A

purpose; the union have agreed this approach in principle but as yet there is no decision for Christmas 2014.

The majority of these policy changes can be introduced once agreement is finalised with trade unions but some of the changes (unsocial hours and annual leave arrangements) will need to have final approval by the Member and Employment and Development Panel before implementation.

Next Steps

The council consults with the trade unions as the representatives of all employees and the decision to agree to the proposals will be determined by the trade union vote amongst its members. Once agreed the pay increases should follow in the next months' pay and will include back-dated pay to 1st April 2014.

If you have any questions regarding these proposals please contact me or your trade union representatives, Alastair Barker, UNISON or John Neale, UNITE.

Yours sincerely



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Salary Scales wef 1st April 2014

| 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 | £14,760 | £14,982 | | | | | |
| 3 | £15,391 | £15,770 | £16,158 | | | | |
| 4 | £16,476 | £16,882 | £17,297 | | | | |
| 5 | £17,625 | £18,059 | £18,505 | £18,961 | | | |
| 6 | £19,519 | £20,001 | £20,494 | £21,000 | | | |
| 7 | £21,498 | £22,030 | £22,574 | £23,133 | | | |
| 8 | £23,498 | £24,196 | £24,914 | £25,655 | | | |
| 9 | £26,662 | £27,454 | £28,270 | £29,111 | | | |
| 10 | £29,665 | £30,548 | £31,457 | £32,393 | | | |
| 11 | £32,689 | £33,663 | £34,665 | £35,697 | | | |
| 12 | £36,404 | £37,850 | £39,354 | £40,919 | | | |
| 13 | £42,698 | £44,541 | £46,382 | £48,181 | £50,357 | £52,533 | £54,708 |
| 14 | £58,602 | £61,249 | £63,897 | £66,545 | £69,689 | £72,926 | £75,082 |
| 15 | £77,684 | £81,080 | £84,478 | £87,875 | £91,272 | £94,669 | £98,446 |
| 16 | £103,086 | £106,016 | £108,948 | £111,878 | £114,810 | £117,740 | £122,440 |

Appendix A

Excess Travel Policy

1. Policy Introduction

This policy is to ensure that staff are reimbursed appropriately for travel costs incurred following a change of base and/or a requirement to travel to organisations with which their employer is in partnership. This is on the understanding that the reason for the additional travel costs is likely to be due to organisational change.

2. Aim

The policy sets out the Council's position in relation to:

- When excess travel mileage will be paid;
- What can be claimed by an employee who has transferred to a new location;
- When transfer of work location mileage can and cannot be claimed;
- How long an employee is entitled to receive excess travel mileage payments

3. Excess Travel Allowance

3.1 Definition

Excess travel is an allowance paid to staff who have had their work base changed permanently (as a result of organisational change) and/or are required to travel to organisations with which their employer is in partnership; and where the distance between home and their new base is significantly greater than the distance between home and their old base.

3.2 Allowances

An employee will be entitled to excess travel mileage if as a result of a change to their work base; the journey to their new work base from home is further than 5 miles (one way) than the distance travelled from home to their existing work base.

Example 1:

An employee who lives in Tonbridge and whose previous work base was Tunbridge Wells Borough Council (TWBC) has been transferred to Swale Borough Council (SBC):

| | |
|-----------------------------------|--------------|
| Home to previous work base (TWBC) | = 7.5 miles |
| Home to new work base (SBC) | = 27.5 miles |

The employee would be required to travel an extra 20 miles each way and therefore they would be entitled to receive excess travel mileage.

Example 2:

An employee who lives in Gillingham and whose previous work base was Maidstone Borough Council (MBC) has been transferred to SBC:

| | |
|----------------------------------|------------|
| Home to previous work base (MBC) | = 11 miles |
|----------------------------------|------------|

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Home to new work base (SBC) = 13 miles

The employee's additional mileage is less than 5 miles and therefore they would not be entitled to excess travel mileage.

For the purpose of this policy, distances to employees previous work base and their new work base will be calculated using postcode information for each address. The distance between the two postcodes will be calculated using 'Google Maps' with distances rounded to the nearest ½ mile.

Additional travel time will not be paid or allowed for in relation to organisational change.

3.3 Payment of Claims

Mileage will be paid based on current council car mileage rates and claimed monthly on itrent. It will only be paid for days travelled from home to the new place of work.

If public transport is used reimbursement of fares covering the excess miles will be paid on production of a valid ticket.

3.4 Approval

Excess travel payments may be authorised initially by the relevant Head of Service in consultation with Human Resources, thereafter the normal claim process through iTrent with line manager approval should be followed.

4. Duration

Allowances will be paid for a maximum of 3 years from the date of the change of work base for employees that have incurred additional travel costs from the change.

5. Further Changes to Work Base

If a member of staff voluntarily changes their work base through for example applying for a new job within the partnership then entitlement to these allowances will cease from the date that they take up their new post.

If further organisational change results in a change to work base within the 3 year period then the excess travel allowance will be re-calculated. Where the new base is a greater distance than the initial 'home' base but less than the initial relocation distance the allowance will be re-calculated on the distance from the initial 'home' base and will be paid for the remainder of the three year period.

6. If an Employee Moves Home

If the member of staff moves house during the 3 year period, the following principles will apply:

- If they move further away they should continue to claim the excess to a maximum of the amount they were originally claiming.
- If they move closer to their new base, but still further from the new work base than their previous work base, the payment will therefore reduce

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and will be calculated on the basis of the difference in mileage between the new home and new work base and their new home and previous work base until the original 3 year period ends.

7. Other Business Travel

The excess travel would not be applicable where a member of staff travels from home to a different location; normal business mileage should be claimed if this is appropriate.

8. Equality and Diversity

This policy applies to all employees, irrespective of age, race, colour, religion/belief, disability, nationality, ethnic origin, gender, sexual orientation, marital status, gender reassignment or trade union membership. All employees will be treated in a fair and equitable manner recognising any special needs of individuals where adjustments need to be made. No member of staff will suffer any form of discrimination, inequality, victimisation, harassment or bullying as a result of implementing this policy.

March 2014

Appendix A

DRAFT

Long Service Recognition Scheme

Policy Statement

We believe that it is important to recognise and reward those members of staff who have worked at Maidstone Borough Council for a significant period of time. We will recognise and reward those who have worked at Maidstone Borough Council but not in other local government bodies.

We intend to recognise long service (in year) at the awards event each year; this will involve their names being published as part of the programme for the event.

The scheme will also allow for financial reward for reaching significant milestones. The awards will be available in the form of a shopping voucher. It will be due on the anniversary of the date a member of staff began working with Maidstone Borough Council.

The rewards will be as follows:

- 10 Years – Certificate of Recognition and £25 voucher
- 15 Years - Certificate of Recognition and £50 voucher
- 20 Years - Certificate of Recognition and £75 voucher
- 25 Years - Certificate of Recognition and £100 voucher
- 30 Years - Certificate of Recognition and £150 voucher
- 35 Years - Certificate of Recognition and £200 voucher
- 40 Years - Certificate of Recognition and £500 voucher

These vouchers will be administered at the end of each quarter. The scheme is introduced from 1 September 2014 and awards will not be made retrospectively for milestones reached before this date.