

Gedling Borough Council; Pay Policy Statement 2014-15

1. Introduction

Section 38 of the Localism Act 2011 requires local authorities to publish a Pay Policy Statement by 31 March each year. The purpose of the Statement is to increase accountability in relation to payments made to senior members of local authority staff by enabling public scrutiny.

This is the Council's third Pay Policy Statement.

The Pay Policy Statement has been drafted not only to meet the requirements of the Localism Act, but also is designed to reflect the principles of the Code of Recommended Practice for Local Authorities on Data Transparency, the Accounts and Audit (England) Regulations 2011 and aspects of good practice highlighted by the Local Government Association and the Association of Local Authority Chief Executives. Furthermore, this year's statement also has regard to the guidance made available in February 2013 by the Department for Communities and Local Government in respect to "openness and accountability" as described in section 40 of the Localism Act.

2. Pay Policy Statement; Executive Summary

Details necessary for publication are explored fully in this Pay Policy Statement in sections three and four. The Executive Summary does not reflect all information required or recommended in the legislation and guidance described in the introduction above; however, it is designed to show key information in a simple, digestible format. Unless otherwise stated, data in these tables is current at 30 November 2013.

General Council pay data

Lowest rate of pay	£6.4454 per hour (£12,435 per annum full time)
Median rate of pay	£8.81 per hour (£16,998 per annum full time)
Mean rate of pay	£11.68 per hour (£22,532 per annum full time)
Highest rate of pay	£50.97 per hour (£98,334 per annum full time)
Expression (as a multiple) of highest rate of pay against:	
Lowest pay:	8.0 times greater
Median pay:	5.8 times greater
Mean pay:	5.1 times greater

Job-related information for Chief Officers

Job Title (& name for "Senior Posts") ¹	Substantive post- Salary Band p.a. (pay pts in scale)	Enhancement to basic pay or Addition to basic pay (not related to main job)	Total salary including basic pay enhancements	For "Senior Posts" ¹ : Number of staff reports & total budget ⁶ (Headcount @30/11/13)
Chief Executive John Robinson	£93,753 - £96,040 - £98,334	Yes- Election fees		14 staff (538 total) £972,400
Corporate Directors A) Stephen Bray B) Mark Kimberley C) Paula Darlington D) David Wakelin	£70,000 - £72,500 - £75,000 Progression is performance-related	No		A) 27 staff £990,600 B) 124 staff £29,568,400 C) 196 staff £6,402,800 D) 177 staff £8,593,600
Council Solicitor and Monitoring Officer²	Band 14 £40,254 - £41,148 - £42,032	5% (S.M.) ₃ 15% (M.O.) ₄	£48,305- £49,378- £50,438	
Service Manager²; Financial Services	Band 14 £40,254 - £41,148 - £42,032	5% (S.M.) ₃ 5% (S114) ₅	£44,279- £45,263- £46,235	
Service Managers²; • Public Protection • Customer Services & IT • Revenues • Planning and Economic Development • Asset Management (vacant) • Leisure and Culture	Band 14 £40,254 - £41,148 - £42,032	5% (S.M.) ₃	£42,267- £43,205- £44,134	
Service Managers²; • Organisational Development • Audit and Risk Management • Housing and Localities	Band 13 £37,578 - £38,422 - £39,351	5% (S.M.) ₃	£39,457- £40,343- £41,319	
Service Managers²; • Elections and Member Services • Parks & Street Care	Band 12 £34,894 - £35,784 - £36,676	5% (S.M.) ₃	£36,639 - £37,573 - £38,510	
Service Manager²; • Waste Services	Band 11 £32,072 - £33,128 - £33,998	5% (S.M.) ₃	£33,676 - £34,784 - £35,698	
Service Manager²; Communications	Band 10 £29,528 - £30,311 - £31,160	5% (S.M.) ₃	£31,004 - £31,827 - £32,718	

1 As defined in Recommended Code of Practice for Data Transparency

2 Eligible for additional personal payments under Principal Officer Incentive Scheme

3 Service Manager

4 Monitoring Officer responsibility (Statutory role)

5 Section 114 Officer responsibility (Deputy S151 Officer; Statutory role)

6 Total current gross expenditure budget (2011/12); includes employee costs.

3. Setting the scene; general policy statements

The following paragraphs and statements outline the Council's general position in respect to employment, pay and conditions of service and are pertinent to the requirements of the Localism Act:

- 3.1. As at the end of November 2013, Gedling Borough Council employed 538 people (407 full time equivalents).
- 3.2. Five posts work within the national conditions of service covered by the Joint Negotiating Committees (JNC) for Chief Executives and Chief Officers, these being the Chief Executive and the four posts of Corporate Director. All other employees, including those defined by the Localism Act as Chief Officers, work within the national conditions of service covered by the National Joint Council (NJC) for Local Government Employees.
- 3.3. These national conditions of service are added to, and amended by, local terms and conditions detailed in the Employee Handbook and further modified at an individual level by Statements of Employment (contracts) applying to particular employees or posts.
- 3.4. For the purposes of the Localism Act, report must be made on the pay policies relating specifically to "Chief Officers". In the Act, included in the definition of what is a "Chief Officer" are any posts, statutory or not statutory, that report direct to the Chief Executive, or to a post that reports immediately to the Chief Executive. The purpose is to ensure that "Deputy Chief Officer" posts are included in the pay policy. Locally, for Gedling Borough Council this means that the Chief Executive, Corporate Directors and Service Managers will be covered in the Pay Policy Statement.
- 3.5. Policies relating to the setting of pay are determined by committee. Currently such decisions fall under the remit of the Appointments and Conditions of Service Committee (ACSC). Historically, all decisions relating to pay policies have been the subject of consultation with the recognised unions representing employees of the Council, either direct with the unions, or more usually through discussion at the Joint Consultative and Safety Committee (JCSC) which is the recognised forum for formal consultation between employee representatives and the employer.
- 3.6. The Council has embraced the principles of Single Status (a term designed by national employers' groups and trade unions to describe the equal treatment, in respect to terms and conditions, of all employees) since 2001. Gedling was one of the first local authorities in the region to formally implement the national NJC Job Evaluation Scheme. Pay policy was written at this time to reflect how NJC pay was to be applied within this scheme and this is shown at Appendix i. The NJC Job Evaluation Scheme continues to be used and pay grades are established using this tool for all NJC posts, including Chief Officer posts. Job assessment is carried out jointly by both management and union representatives.

- 3.7. The filling of, or promotion to all posts, be they governed by NJC or JNC conditions of service are dealt with under the same defined protocols. The general protocol for the filling of vacancies is shown at Appendix ii and a variation was specifically designed to deal more effectively with the Council reorganisation in 2011/12 and agreed following consultation with the trade unions is shown at Appendix iii; although the restructuring flowing from the major 2011/12 exercise is now complete, the this “variation” is shown for completeness. Other than in cases where there is a need to prevent redundancy through possible redeployment of existing employees, or where efficiencies can potentially be realised, all permanent vacancies are advertised externally and all appointments are made on merit as required by the Local Government and Housing Act 1989. There is an additional recognised protocol (appendix iv) that allows temporary vacancies for periods of less than one year to be filled internally.
- 3.8. Appointments to the post of Chief Executive or Corporate Director are made by the Appointments and Conditions of Service Committee, subject to no objections being raised by Cabinet. Appointment to all other posts including Chief Officers defined within the Localism Act are made by officers delegated to act on behalf of the Chief Executive.
- 3.9. In respect to appointment to any post, where the grade of a post compromises a range of pay points, the general practice is that appointment is made to the bottom pay point other than in cases where the successful candidate can demonstrate that their experience or skill set is of relevant and exceptional nature. In such cases, for Chief Officers working under NJC conditions, a Service Manager may agree to commencement at a higher pay point. For Chief Officers governed by JNC conditions, the pay policy for pay at appointment and subsequent promotion is determined by the Chief Executive following consultation with the Appointments and conditions of Service committee as detailed in Appendix v. The same general principles governing application of pay points apply both to external appointment and internal promotion.
- 3.10. For many years, as a general principle and where business need allows, the Council has supported the sharing of posts (job share) between two or more people. Where this has occurred, appointments have been made on merit. Appointment for any job share partner will be made within the confines of the pay grade, determined through job evaluation and within the principles as described above in relation to the determination of starting salary.

3.11. The pay grades of the Chief Executive and of Corporate Directors were last reviewed in 2011 as part of the major review of the council's structure and a new pay policy has been adopted by the ACSC for Corporate Director posts (Appendix v).

3.12. Since the previous Pay Policy Statement, supplementary guidance has been offered by the Department for Communities and Local Government under section 40 of the Localism Act 2011 about decisions relating to appointments and dismissal from senior posts where the costs of such decisions are likely to be high. The Secretary of State considers that a salary of £100,000 is the right level for the threshold of such decisions.

In the year 2013/14 no post in the organisation has a salary at this level, however, the post of Chief Executive is defined as "senior" for the purpose of this guidance and consequently decisions relating to appointment and dismissal will be determined by full Council following recommendation made by the Appointments and Conditions of Service Committee. This arrangement is incorporated within the council's constitution.

Also as determined within the council's constitution, other posts governed by Chief Officers' Conditions of Service will have decisions relating to appointment and termination made by the Appointments and Conditions of Service Committee. Prior to this decision, the proposal for appointment or dismissal is put to every member of the Executive which gives them the opportunity to object if there were to be material grounds on which to do so. Any objection received will be considered by the Appointments and Conditions of Service Committee prior to that committee making final decision about appointment or dismissal. The decisions of the Appointments and Conditions of Service Committee are also reported to full Council.

All decisions relating to pension release and discretionary payments made under local council policy will be taken by the Appeals and Retirements Committee, a committee delegated to act on behalf of Council.

Already published elsewhere in this Pay Policy Statement are the council's policies relating to severance policies and discretionary compensation for employees, including senior officers in the event of redundancy.

- 3.13. The “Living Wage” is set by the Living Wage Foundation annually and represents the hourly rate of pay that is deemed to provide workers with a wage that can meet the basic costs of living.

During the “Living Wage Week” in November 2013, the Leader of the council announced his intention to propose that the Living Wage be paid at Gedling Borough Council at 1 April 2014.

If supported, implementation will follow the normal consultation process through the appropriate committees of the Council.

- 3.14. Structure diagrams of the Council showing all posts, including vacant posts, and pay bands are maintained on the Council’s website.

- 3.15. This Pay Policy Statement is published on the Council’s website.

4. Other specific reportable issues as defined in the Localism Act

4.1 Chief Officer pay

4.1.1 Basic pay

Pay scales for Chief Officers are shown in the Executive Summary table. These are current up to 31st March 2014.

4.1.2 The setting of basic pay grades and pay rates

There are a number of existing decisions and policies that determine Chief Officers’ overall pay policy.

The Chief Executive’s pay scale, and the pay scales for Corporate Directors is determined locally by the Appointments and Conditions of Service Committee following formal consultation with recognised unions through the Joint Consultative and Safety Committee. This was last undertaken in August 2011 as part of the Council’s management review and restructuring exercise. The ACSC when setting these pay scales took into account the need to balance affordability with fair pay for the work whilst also recognising pay levels for similar posts within the local market and pay differentials within the organisation.

The ACSC approved a performance-related pay scheme that applies to the post of Corporate Director. This is shown at Appendix v. This confirms that appointment is generally at the bottom point of the pay scale and that progression through the scale is through satisfactory performance only.

The pay policies applying to all other Chief Officers as defined by the Localism Act are derived from the pay policies relating to NJC employees. As part of the implementation of the NJC national Job Evaluation Scheme in 2001, a pay policy was adopted by committee in 2001 (Appendix i). Basic job grades are still determined using this scheme and the basic principles set out therein. With the implementation of the job evaluation

scheme came the setting of a “pay line”, that is the equating of evaluation points to a job grade. The pay policy statement for the Council’s NJC staff defines how national spinal column points are associated to job grades and is again shown in Appendix i.

4.1.3 Enhancements to Chief Officers’ basic pay

There are a number of additions and enhancements that are applied to Chief Officers’ basic pay.

The basic pay grades of all Service Manager posts, and the post of Council Solicitor and Monitoring Officer are determined through job evaluation. In addition to basic salary, these posts receive a payment equivalent to 5% of basic salary. Following formal consultation, the Appointments and Conditions of Service Committee determined this addition in recognition of the additional duties and responsibilities to be applied; that is that these posts will be expected to be the most senior operational lead officer for a single, or small group of services. The addition recognises the particular requirements of the role and is designed to differentiate between other management roles that may carry the same substantive evaluated pay grade.

The role of “Deputy Section 151 Officer (Section 114 Officer)” is recognised by the Council under the Local Government and Finance Act 1988 and the responsibility is applied to the post of Service Manager; Financial Services. An additional payment of 5% of basic salary is made to this post and applies in addition to any other additional payment.

The role of Monitoring Officer is recognised by the Council under the Local Government and Housing Act 1989 and the responsibility is applied to the post of Council Solicitor and Monitoring Officer. An additional payment of 15% of basic salary is made to this post and applies in addition to any other additional payment.

Holders of Chief Officer posts defined by the Localism Act and who are governed by NJC conditions of service are also eligible for additional payments through the Council’s Principal Officer Incentive Payment Scheme. This Scheme applies to all officers on Pay Band 10 and above; details are shown at Appendix vi. The scheme is performance-based and gives potential for up to three additional incremental pay points to be applied to basic pay. These enhancements to pay are made on a personal basis to recognise exceptional performance. The application of the second and third incremental awards under the scheme is time-limited.

Honorarium payments are not made to Chief Officers on JNC conditions of service as salaries are deemed to be inclusive of all job requirements at the most senior level. Honorarium payments to Chief Officers governed by NJC conditions are possible, but are tightly controlled and the circumstances in which awards are made are defined in Appendix iv (temporary appointments) and Appendix vi (Principal Officer Incentive Scheme (POI)). In essence, it is expected that most occasions of “higher level” work will be accommodated with the POI Scheme, however, where specific and substantially higher-level duties are required of any NJC officer, including Chief Officers, for a period of beyond four weeks, then it

may be appropriate to consider application of an honorarium arrangement. In such cases both the relevant Service Manager and the Service Manager; Organisational Development will determine the appropriate level of payment to be made.

4.1.4 Additional payments made to Chief Officers

Other than the enhancements to basic pay described above, the only additional payment made to Chief Officers relates to election expenses. The only post formally designated within legislation and to which expenses are paid is that of Chief Executive which is nominated as the Returning Officer. The role of Deputy Returning Officer may be applied to any other post and payment may not be made simply because of this designation.

Payments to the Returning Officer are governed as follows:
For national and European elections, fees are prescribed by the Electoral Commission.

For local elections, fees are determined within a local framework used by other District Councils within the County. This framework is applied consistently and is known as "The County Scale". This is reviewed periodically by lead electoral officers within the boroughs.

4.2 Salary protection

The Council's Pay Protection Policy was reviewed as part of the 2011 reorganisation arrangements. A full description of the Policy is shown at Appendix vii. This Pay Protection Policy applies to all employees of the Council, including Chief Officers as defined in the Localism Act. In essence, should a case of pay protection arise, for example due to redeployment or down-grading of a post, protection between an employee's salary at that time and the value of their new substantive post will apply in the following way:

- 100% for one year
- 75% for year two
- 50% for years three and four
- No protection thereafter.

4.3 Lowest-pay and the relationship with highest pay

4.3.1. Definition; “lowest pay”

The definition of “lowest pay” for the purpose of this Pay Policy Statement is, “The lowest spinal column point in the national pay spine that is used within the local pay and grading structure of the Council. This is currently Spinal Column Point 5”. The reasons behind using SCP 5 as the lowest pay point are further detailed in the Council’s current Pay Policy shown at Appendix A, which reflects the decision to adopt the national pay spine to form the basis of our grading structure. However, although the national pay points within the national pay spine are still recognised, the implementation of the Living Wage at 1 April 2014 will result in the lowest rate of pay being set at a higher level than this, potentially as a local pay point.

4.3.2. Definition; “highest pay”

The definition of “highest pay” for the purpose of this Pay Policy Statement is, “The highest local spinal column point that forms part of the Chief Executive’s pay band”.

4.3.3 Relationship between highest and lowest pay

When expressed as a multiplier of pay, the Chief Executive’s salary is:

8.0 times greater than the lowest pay rate of the council

5.1 times greater than the mean pay rate of the council

5.8 times greater than the median pay rate of the council

Although the Localism Act requires Authorities to publish the data, the original Hutton Review of fair pay in the public sector rejected calls for a fixed limit on pay multiples. However, to give guidance on what might be considered to be a reasonable pay multiple of highest pay against lowest pay, a ratio of 20:1 was suggested as part of the consultation during the review.

The High Pay Commission in its report “Cheques and Balances” reported that top executives’ pay in Lloyds and Barclays has a ratio of 75:1 against lowest pay.

The ratios within the council’s pay structures are considered to be fair and reasonable.

This relationship will be reported annually for comparison purposes.

The rates of for lowest, mean, median and highest pay are included in the Executive Summary table.

4.4 Payments made to Chief Officers on ceasing office

4.4.1 Conduct and Capability Policies

The Council's policies are stated in the employee handbook. Changes and variation to these policies are made following consultation with recognised unions and formal adoption by the Appointments and Conditions of Service Committee. For each of these policies, the scope of application is defined as follows, "The procedure applies in general terms to all employees of the Authority covered by the terms of the National Joint Council for Local Government Services. This includes full and part-time employees and temporary employees. Employees covered by the Joint Negotiating Committees for Chief Officers and Chief Executives, and NJC posts nominated as the Council's Monitoring and Section 151 Officers will have particular provisions applied to them under the Council's Standing Orders Relating to Staff. In these cases, this Disciplinary and Capability Procedures will be applied as closely as possible subject to such modification as may be required pursuant to those Standing Orders."

Subject to the above definition of application, for conduct and capability dismissals all employees will receive only statutory payments due which may, depending on circumstance include notice pay (other than in cases of gross misconduct) and outstanding untaken leave entitlement.

4.4.2 Ill health retirement

All employees who are members of the local government pension scheme (LGPS) shall have applied to them a pension defined within the LGPS Regulations. Obligations under law requiring the payment of an appropriate notice period or outstanding unpaid holidays are honoured. No additional discretionary payments will be made. Authority to dismiss on grounds of ill health and authority for release of pension as determined within statute is delegated to the Chief Executive.

4.4.3 Termination of employment; Redundancy and Efficiency

The Council's Appeals and Retirements Committee has authority to make payment within the approved Early Retirement and Redundancy Policy (Appendix viii). The scheme of compensatory payment is clearly identified in this policy and is based on the table of compensation defined within the Employment Rights Act 1996. For redundancy, payment is limited to a maximum of 60 weeks' pay and 30 weeks' pay for dismissal for reason of 'efficiency of service'.

The policies relating to redundancy and 'efficiency of service' are formally adopted by the Council and are drafted within the legislative framework of the Local Government (Early Termination of Employment)(Discretionary Payments) (England and Wales) Regulations 2006. Specifically, the policies reflect the need to define "a week's pay" and to detail the Council's severance payments. For removal of doubt, the Council currently defines "a week's pay" for the purpose of calculation of

compensatory redundancy payments as “actual pay” rather than the statutory maximum figure.

The Council’s Flexible Retirement Policy is shown at Appendix A of the parent appendix, Appendix viii.

All employees, including Chief Officers are covered by these general policy arrangements. Section 3.12 details the special arrangement applying to “senior posts” in respect both to appointment and dismissal for reasons of redundancy and efficiency which require a decision to be taken by Committee in respect of Chief Officers or at full Council in relation to the Chief Executive.

4.4.4 Other potential additional payments approved by the Council

In addition to the decisions taken by the council through its appropriate committees in relation to compensatory and discretionary payments and which are detailed in the Council’s Early Retirement and Redundancy Policy described above, Regulations determined within the LGPS Regulations also allow for the Authority to award additional membership of the LGPS.

Specifically, within the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Council has taken a formal decision in respect to increasing pension benefits as follows:

a) “The New Look Scheme (2008) allows the employer to grant additional pension to an active scheme member up to £5000 per annum (in aggregate). This is in addition to any discretion to grant augmentation. This discretion will be exercised locally only in exceptional circumstances where there is a firm business reason for granting such an addition of annual pension. The Early Retirements Committee (now Appeals and Retirements Committee), based on a business case outlined and supported by senior management will determine the amount of the addition. Such payments will not be made purely in recognition of long or good service, which, in themselves, should not be deemed to be “exceptional” when considering whether to exercise such discretion. Equality and consistency of application will be taken into account when making such decisions.”

b) “Similarly, the employing authority has discretion to contribute towards a scheme member’s Additional Voluntary Contribution arrangement. These “Shared Cost AVCs” will only be entered into where there is a business case that anticipates with reasonable prospect, either cost efficiencies or service enhancements by their introduction. The Early Retirements Committee (now Appeals and Retirements Committee), based on a business case outlined and supported by senior management will determine whether such benefits should be applied and the amount of the benefit. Equality and consistency of application will be taken into account when making such decisions.”

5. Review and Publication

This Pay Policy Statement will be reviewed annually and reported to Council for approval.

The Statement will be made available to the public on the Council's website and will be included in the Council's Publications' Scheme.

Pay Policy – Single Status Employees

1. Purpose of Policy

To establish the principles and arrangements for pay for all employees in the Authority linked to the job evaluation of all posts.

2. Objectives

- To ensure all pay arrangements reflect equal pay for work of equal value.
- To establish clear and consistent approaches to pay.
- To reflect how employees develop in skills and knowledge within a job.
- To provide a basis for establishing the grading system in relation to job evaluation.

3. Pay Points

The pay points for all employees covered by the single status agreement will be nationally agreed points 4 to 49. In the final grading structure it is possible that not all of the points will be utilised. If necessary local points above scp 49 will be developed within the single status pay and grading structure.

4 Pay Award

The nationally agreed pay award determined at 1 April each year will be applied to the spinal column points used in the grading structure, including any locally set points.

5 Incremental Progression

- a. All jobs will be allocated to a scale consisting of a number of incremental points not exceeding 5. The scales will not overlap and depending on the final grading structure may not be continuous with the national spinal column points.
- b. In most cases employees appointed to a new post will start at the bottom incremental point of the grade for the post. Where it can be demonstrated through the selection process that an individual candidate has relevant experience or qualifications, appointment at a higher incremental point may be justified. This should be agreed by the Corporate Director following consultation with personnel to ensure consistency both within Departments and across the Authority.
- c. Employees will progress to the next incremental point on their grade on 1 April of each year except where the employee has been in post less than 6 months. Where an employee has been in post less than 6 months at 1 April, they will progress to the next incremental point 6 months after appointment and thereafter on 1 April each year.

- d. Employees will progress automatically through the incremental scale in accordance with paragraph 3. In the exceptional circumstances that an employee is not meeting output and quality standards expected for a post the Corporate Director, after consultation with the Service Manager; Organisational Development, may withdraw an increment. Any such action will be supported by an adverse probation report, extension of probationary service or other formal performance review mechanism.
- e. The reasons for withholding an increment will be explained to the employee and guidance given about areas for improvement such that incremental progression can continue when standards are met.
- f. Where an individual employee is dissatisfied with the reasons for withholding an annual increment, they may appeal in writing to the Head of Paid Service, who will review the decision of the Corporate Director.

6. Market Factor Supplements

- a. The pay and grading structure has been set to reflect the relative values of jobs within this organisation and at pay levels which reflect the general local employment pay levels. However, there may be occasions where it is necessary to enhance the pay levels of specific groups of employees where it is proven that it is difficult to attract and retain employees because of external pay levels. Where such situations are identified, additional market factor supplements may be agreed.
- b. Payment of market factor supplements will be made taking into account the following factors:
 - Evidence of high levels of turnover in the particular staff group
 - Evidence of difficulties in recruiting to posts ie by low response rates to advertisements or inability to attract suitable candidates
 - Comparison with like jobs in other local authorities and more widely in the sector
 - All current employees within the group affected will receive the payment
 - Clear criteria for receiving the payment must be determined ie possession of specific qualifications and length of experience etc.
 - Payment will be made for a specific time period and subject to an annual review. Where it is determined that the supplements can no longer be justified, employees in receipt of these will be given 12 months notice of withdrawal. At the end of that time they will revert to the substantive salary for their post.
- c. The amount to be awarded will be determined by the evidence gathered to support the need for a market factor supplement that would indicate the appropriate salary levels. The supplement will be a number of increments above the top of the grade, paid on a monthly basis.
- d. A report proposing the awarding of market factor supplements should be presented to Management Team who will agree to the awarding of and the

level of any market factor supplements and determine the posts to which it is applied.

7. Temporary Additional Responsibilities

In some situations employees may carry out a different role from their substantive job. For example employees who occasionally act as Duty Officer in Leisure Centres. Where such situations occur, the employee will receive the appropriate rate for carrying out these duties for the period they do so. For all other occasions they will be remunerated at the rate for the job undertaken.

8. Revised grading structure

Evaluated points for job		New grade	National Spinal Column Points in new grade	
From	To		From	To
200	270	Band 1	5	6
271	310	Band 2	7	10
311	350	Band 3	11	13
351	395	Band 4	15	17
396	440	Band 5	19	21
441	475	Band 6	23	25
476	515	Band 7	26	28
516	540	Band 8	29	31
541	580	Band 9	32	34
581	620	Band 10	35	37
621	650	Band 11	38	40
651	695	Band 12	41	43
696	735	Band 13	44	46
736	800	Band 14	47	49

Enabling employment security - Protocol for managing changes in posts throughout the council

Revised September 2010

1. Background

The Council will be required to make budgetary savings over the next 3-4 years to meet the reductions that are anticipated from the Coalition Government's public sector spending review.

The extent of the savings required will become clearer after the Comprehensive Spending Review but it is expected that they will not be able to be met by efficiencies alone and that some services may have to be significantly reduced or ceased.

This has implications for our workforce and as a good employer with a track record of avoiding compulsory redundancy this protocol is intended to ease the difficult times ahead.

2. Aim

- i. The aim of this protocol is to :
 - give as much employment security as possible to existing employees
 - utilise the existing skills and knowledge of employees for the overall benefit of the Council
 - avoid redundancies as far as possible
 - operate a fair process for retaining employees, where workload is changing
 - offer personal development opportunities on a fair basis

3. Vacancy Management

With effect from July 2010 the following process will be in place for all vacancies that arise, across all service areas:

- Confirmation with the Chief Executive/ Delegated Officer that the post can be filled.
- Consider, in liaison with Personnel Services, whether there are redeployees/ secondees identified across the Council for whom this post is suitable, or with some adjustment to the requirements it would be suitable. If so then redeployees/ secondees will be placed in the post. (see section 4.1 below).
- If there are no suitable candidates from posts at risk, then the post will initially be advertised internally. Managers will take a flexible approach to

the requirements in the person specification such that existing employees can more easily be considered for the post. This may mean that the grade is reduced and/or there is a training period required before the individual can be placed on the full grade.

- Internally advertised posts might be on a permanent or temporary basis (where for example it is dependent on funding). Existing employees who take a temporary post will not lose their employment rights and at the end of the temporary appointment the aim will be for them to revert to either their existing job or an equivalent.
- Posts that are not filled internally will be advertised externally; however they will be on a temporary (less than) 12 month basis unless the Chief Executive determines that there are exceptional circumstances that justify the offer of a permanent position.
- New employees will be employed for a temporary period of less than 12 months. At the end of the temporary contract the post should be filled with an existing permanent employee or frozen. Extensions of employment for a new employee in any job, beyond 12 months will not be permitted, without the approval of the Chief Executive.

4. Identification of Posts 'at risk'

- i. To facilitate the filling of vacancies by existing employees it is necessary to be clear where there are likely to be reduced services and/or efficiencies which ultimately will mean a reduced number of posts. This exercise was first carried out as part of the overall budget planning for 2011/12.
- ii. Where it has been identified that a reduction in posts is required, this should be detailed by Corporate Directors in terms of the numbers and types of posts. Essentially this is a potential redundancy situation. However, the aim of this protocol is to avoid redundancies. Such situations need to be managed with care and avoiding unnecessary concern.
- iii. Once identified, there will be consultation with the affected employees and Trade Unions on the proposed reductions, allowing the employees affected to propose alternatives, for example reduced hours working, career breaks etc. Since these proposals will be driven by financial constraints, it is unlikely that suggestions of additional work to be carried out, unless income generating will be suitable solutions.
- iv. At the conclusion of the consultation on the changes, the appropriate formal decisions will be made to put the changes into effect. The impact on the individual employee will be managed using the appropriate policies of the Council.

4.1 Same or Lower Graded Redeployments

- i. The people occupying posts that have been identified as at risk will be placed into posts which might be suitable to their skills and knowledge. Where possible, alternative redeployments may be offered. These posts

will not be advertised across the organisation. These posts may not be within the professional area of the affected post-holders, but it will be considered that their existing skills and knowledge can be applied to these posts. The posts offered may be on a lower grade than the post-holders currently occupy. The Council's protection policy will apply.

- ii. Where there are a number of people identified in an at risk group, all will be expected to give serious consideration to undertaking the redeployment. If the available post cannot be filled through voluntary application, then an assessment process will be undertaken to identify the most suitable person. (This is likely to be similar to the approved protocol for selection into posts following structural review).
- iii. If for any reason it is not appropriate to assess employees 'at risk' for redeployment, then a selection for redundancy exercise will be undertaken using criteria determined in consultation with the Trade Unions, and the Council's redundancy and redeployment policy will be followed. This will lead to identification of redeployment opportunities and employees are required within the context of national employment law, to consider all reasonable offers of redeployment.

5. Secondments

- i. In some situations the full definition of a redundancy situation may not apply – as described above. An opportunity may present itself within a team for a short term reduction in staffing requirements and therefore a requirement to place employees into temporary arrangements. Equally there may be vacancies within the organisation that are critical to fill and it is desirable that this is done internally, but not necessarily on a permanent basis.
- ii. It is also possible that vacant posts could be filled internally on a temporary basis by employees moving from lower priority service areas giving rise to savings. Such situations will be dealt with by a secondment arrangement.
- iii. Secondments agreed in this way will only be temporary arrangements, the employee who undertakes the secondment post will be entitled to return to their substantive post either at the end of a fixed term arrangement or when the need for the post becomes sustainable again, or another post becomes vacant for which they wish to be considered for redeployment.
- iv. If during the period of secondment, the individual's substantive post is identified for deletion, the individual will be treated as a redeployee, and the protocol described in Section 4 above will apply.
- v. Before a post is released for secondment/redeployment, there will be a review of the requirements of the post, to enable successful appointment from employees who might otherwise have not met the minimum criteria. This may lead to a review of the post grade to ensure that the substantive grade of the post fully reflects the duties being carried out. If this situation

arises, the grading of the post will be reviewed through the job evaluation scheme in consultation with the Trade Unions.

- vi. The protocol in such situations is as follows:

5.1 Same or lower Grade Secondments Identified

- i. The protocol for placing people into same or lower graded secondments will be as above for posts at risk.

6. Higher Graded Secondment or Redeployment Identified

- i. Where a secondment or redeployment post is identified at a higher grade than people requiring redeployment then there will be an internal advertisement for the post. This will enable all employees to be considered for this post – and may result in the person(s) at risk not being successful. However it will release another post within the organisation that may then be available for the secondee/redeployee.
- ii. If the higher graded post is within the contained professional area where there is an identified reduction then the applicants can be restricted to the group of employees 'at risk'. Appointment to the post will be on merit.
- iii. Redeployment at a higher grade may be a temporary or permanent arrangement depending on the circumstances. If the arrangement is temporary, at the end the individual is placed back into being 'at risk' and this protocol will continue to apply.
- iv. If no suitable secondee/redeployee is identified, then the process for vacancy management Section 3 above will be followed.

7. Equality and Diversity Implications

- i. Using this protocol for dealing with the medium term difficulties can bring potential for conflict with the Council's commitment to equality and diversity. In terms of recruitment and employment, the Council has previously advertised all jobs either externally or internally for all employees. This protocol is a departure from this. In terms of the workforce profile, it will not help in ensuring that the employees of the Council are representative of the population. Currently our minority ethnic make-up is below that of the area, and by retaining recruitment internally, there are limited opportunities to address this.
- ii. However, for maintaining the morale and commitment of existing employees to achieve high performance in difficult times, it is necessary to balance these conflicting demands. Appointment to any vacancies, particularly where there is an increase in grade will be on merit, and if no internal candidates can meet the criteria, appointments will not be made. All employees within a group 'at risk' or faced with other change will be treated fairly and given equal chance for any secondments or redeployments.

8. Training and Development

- i. Using this protocol should offer protection to existing employees, and will retain within the organisation valuable skills and expertise. However it has to be recognised that whether there is a secondment or a redeployment arrangement it is possible that posts might be filled by employees without relevant training or knowledge.
- ii. In such situations there is a commitment to provide this training to enable the employee to deliver the requirements of the post within a relatively short time (12 - 18 months). The grade of the post might be adjusted during this training time to reflect this and to ensure equity with comparable post holders.
- iii. If an employee at risk expresses a desire to fully retrain to a different professional area, and this requires considerable investment in qualifications etc; this will be considered. However this can only be agreed to if there is an ongoing demand for that skill, and if there is significant cost to the training (eg a degree) this can be met from existing budgets. The usual requirements of the PETs scheme will apply.

(P&R Committee September 2010)

Senior Management Review 2011 Procedure for filling posts

Background

The Council's existing protocol for selection into posts following structural review outlines general principles that will be adopted at times of review. It is written to work within the general policy framework of the Early Retirement and Redundancy Policy which deals with the general principles for the management of vacancies and redeployment opportunities.

The Early Retirement and Redundancy Policy states that, "If it is likely that a process of selection for redundancy is necessary then a fair and equitable set of criteria will be established. These will be different depending on the circumstances of the redundancy situation and will be subject to consultation with employees and trade Unions."

The following procedure has been drafted to define how posts will be filled for the current Management Review. Where vacant posts are to be advertised internally only, it is proposed that application is limited to potentially displaced employees only in order to try to minimise the potential for redundancy.

Procedure

1. A new senior management structure for the organisation is proposed. The model is based on "Director" posts to which report formally identified "Section Head" posts. Where existing posts are proposed for deletion under this new model, all post holders will be informed.
2. All current Head of Service posts are to be deleted. Newly-created Director posts will be advertised internally in the first instance, and opportunity for application will be ring-fenced to existing Heads of Service who are potentially displaced. Expressions of interest for the vacant posts will be invited. Where there is competition for a post, an appropriate and full selection process will be applied; where there is no competition, a shortened process may be applied. Selection will be made by the Chief Executive and an appropriate panel of Elected Members.
3. If any Director post remains unfilled following the selection process, these will be openly advertised externally and internally. Processes particular to statutory functions (such as Section 151 responsibilities) will be observed.
4. Following the internal selection process to determine the filling of the Director posts, recruitment will begin for vacant or newly-created Service Manager posts. These will be advertised internally in the first instance, and opportunity for application will be ring-fenced to all employees who are potentially displaced through the proposal. At this stage, there will be no "slotting-in" process and there will be no preference given to employees displaced from a more senior tier within the organisation. (Existing Section Head posts that are occupied and for which there is no grade change proposed will not be opened for competition and the existing post holder will remain in post.) Expressions of interest for the vacant posts will be invited. Where there is competition for a post, an appropriate and full selection process will be applied; where there is no

competition, a shortened process may be applied. The selection panel will be determined by the Chief Executive.

5. Any vacant posts at a level below the new Service Manager posts and not already advertised will initially be advertised internally only and will be ring-fenced for application from potentially displaced employees.
6. At the end of the complete cycle of the competitive recruitment process, any Heads of Service, Section Heads or other employees that remain displaced will be assessed in terms of their suitability against any remaining vacant posts. Suitability will be determined by a relevant Director or the Chief Executive, by reference to the person specification for a vacant post. The displaced officer will need to meet all essential criteria or be able to meet such criteria within a reasonable length of time as determined by the Chief Executive or Director. If more than one displaced officer appears suitable, a competitive process will be applied. In the event of the Chief Executive or Director believing that there may be a possible suitable match of employee to post, but with some uncertainty, a trial period of at least four weeks in the post will be offered.

Where a vacant post appears suitable and is without competition from other displaced officers and is at the same or lower pay band than the displaced officer, the officer will be "slotted in". The Pay Protection Policy in force at that time will apply. Where a post appears suitable for a displaced officer and is without competition from other displaced officers and is at a higher grade, a reduced selection process may be applied.

7. If it becomes apparent during, or at the end of the cycle of recruitment and selection that, in the view of the organisation, no suitable post remains for an employee to compete for, or be considered for redeployment to, then notice of redundancy will be served on that officer and the procedures identified in the Redundancy and Early Retirement Policy will be applied.
8. Any remaining vacant posts at the conclusion of the exercise will be advertised externally and internally. Displaced Heads of Service or Section Heads who were unsuccessful in their application for a Service Manager post will be eligible to re-apply for that same post, should any such post be so advertised.

Procedure for filling temporary vacancies

In order to recognise the current business climate as one of change and to help respond to the issues identified in the workforce development plan such as the need for succession planning, the Council will adopt the recruitment practice as follows:

Temporary Recruitment

- For all temporary posts of up to one year, where there is a likely prospect (determined jointly by the operational service manager and Service Manager for Organisational Development) that the temporary vacancy could be filled with a suitably qualified and experienced, high-calibre internal candidate, then the post will be advertised openly but internally in the first instance.

Normally, a full recruitment process will apply. However, there may be occasions where “expressions of interest” are invited through advertisement; the purpose of this is to speed up the process where the vacancy is particularly specialist and only a small number of people may be suitably qualified. In effect, it is a quick method of testing the internal market. Where this method is used and there is only one interested person, it will be sufficient to assess their suitability through a “targeted-question” interview; an application form may be unnecessary. If more than one person expresses an interest, all people will be required to complete an application form and a full selection process will be followed.

- Traineeships of up to a year are excluded from this arrangement to only advertise internally; all such vacancies will be advertised externally.
- Where a post becomes permanent after being occupied for a temporary period of any length, the vacancy will be advertised externally.
- Normally, where a short-term vacancy is identified, it will be filled by the above methods. In certain circumstances, particularly those where a reduced (partial) set of tasks or responsibilities need to be picked up within a team, the vacancy is specific and technical in nature, or the need to fill is exceptionally urgent, then an honorarium arrangement may be appropriate.

Honoraria

- A manager may seek, in conjunction with Service Manager for Organisational Development, to apply an honorarium in the following circumstances:
- A vacancy exists in the existing team and it is decided jointly by the service manager and Service Manager for Organisational Development that the vacancy should be filled on a short-term basis, but that there is not a need to fill the post at its full grade; the range of duties and level of responsibilities are reduced. OR
- In the short-term, additional duties and responsibilities are required of one or more post holders to recognise particular business needs even though there is no specific vacancy at a more senior level.
- “Principal Officers” (those posts graded at pay band 10 and above) have certain restrictions placed on them as to their inclusion in the honorarium scheme; although it will often be the case that simply working at a level beyond normal expectation for the grade will be covered by the Performance Incentive Scheme for Principal Officers, there may be occasions where a Principal Officer formally covers some or all of the duties of a more senior post for a period of more than four weeks. In such cases, it

may be appropriate to apply an honorarium arrangement as for other posts.

- Honoraria payments will not normally go on beyond one year.
- The level of payment will normally be set at a fixed spinal column point or salary figure to represent the additional duties and responsibilities to be carried out by the employee.
- The level of payment will be agreed between the service manager and Service Manager for Organisational Development. This may be done by establishing a “felt-fair” spinal column point between the employee’s current pay point and the level of duties and responsibilities expected. Where it is difficult or contentious to identify a point in this way, job evaluation may be used to identify an appropriate pay band and then a point to be applied within this band will be agreed by the service manager and Service Manager for Organisational Development.
- Selection for honoraria may take place in a number of ways:
 - Where particular, specific skills are required and it is reasonable to expect that only one post holder will meet the criteria at a particular work base (for example, Civic Centre, specified Leisure Centre), the service manager may, following consultation with, and agreement by, Service Manager for Organisational Development, identify a particular individual to whom they wish to offer an honorarium.
 - Where a number of people within a team might be expected to be able to work up to a higher level, but people outside the team would not be expected to have the current skill-set required, the service manager would be expected, with appropriate assistance from Personnel Services to identify if there would be interest from a number of people to act up into a more senior role. If this were the case, the service manager would need either to offer the opportunity to all interested parties on some fair rota basis or decide on a single candidate following some formal assessment process similar to a recruitment exercise, such as a targeted interview (although this would not necessarily require application form). This exercise might be site-specific if there was a business or operational need to not alter or change staffing arrangements between work sites (for example; opportunity to act up to a duty manager role at a leisure centre may only be offered to employees currently working at that site).
 - In cases where there is potential for a particular vacant role to be filled by employees from other teams, locations or services within the Council, unless there was a specific urgent need to find someone to carry out a particular role for a short length of time in which case either of the two above scenarios might apply, then the process to identify suitable candidates would mirror the steps for temporary employment above, including appropriate advertisement (in effect, it would be a recruitment exercise rather than an honorarium arrangement).
 - Where a decision is taken to fill a post on a permanent basis that has been occupied at part or full duties by someone on an honorarium basis, the vacancy will be advertised externally.

Appendix v

Corporate Director; pay policy

Appointment to any Corporate Director posts will be made at the bottom scale point of a three-point pay scale.

A formal performance review will be conducted by the Chief Executive to determine suitability to progress to the mid-point of the grade after one year's service in post and following consultation with the Appointments and Conditions of Service Committee.

Should the Chief Executive determine that performance is unsatisfactory, pay will remain at the bottom point of the pay grade

Payment of the top pay point of the grade to be determined annually by formal performance review conducted by the Chief Executive and following consultation with the Appointments and Conditions of Service Committee. Subject to satisfactory performance, payment of the top pay point will be made following two years' service in post and, again subject to satisfactory performance, annually thereafter. Should the Chief Executive determine that performance is unsatisfactory, pay will remain at, or be reduced to, the mid-point of the pay grade.

The detail of the performance review scheme is determined by the Chief Executive.

Principal Officer Incentive Scheme

1. Objectives

This performance scheme is intended to achieve the following objectives:

- To recognise the important role of those posts that lead change
- To recognise individual performance where it is directed at achieving the Council's aims
- To reward the behaviours and attitudes of those who are taking initiative and engaged in progressing change
- To provide a mechanism for recognising where individuals have undertaken specific key projects or additional responsibilities outside the normal expectations of their role

In the past performance or additional hours worked has been rewarded through the use of honoraria. With the introduction of this scheme, these posts will not be eligible to be awarded an honorarium. It is recognised that many Principal Officers do regularly work beyond 37 hours, however additional hours worked for any reasons will not be financially rewarded, and individuals need to manage their own time through the flexi-scheme and time off in lieu.

The exception to the payment of honoraria is where arrangements are made to cover the duties of a post whilst a post-holder is temporarily absent, eg long term sickness, maternity leave etc. This is normally recognised by an honoraria reflecting the difference in levels of responsibility between the existing post and the additional duties. Such arrangements can continue to be made where appropriate and this scheme does not apply.

2. Performance Scheme Structure

The substantive grades for all jobs have been established in job evaluation and the pay and grading structure agreed which recognises the relative values of each job. It is not proposed that this is changed with this performance incentive scheme. For reasons of equal pay, the grades as they relate to job evaluation points must remain intact. However, since this is an objective and measurable based incentive scheme which applies to a certain identifiable group of people, not based on gender, it is felt that this will meet the equality objectives of equal pay.

The performance incentive scheme will provide the opportunity for those Principal Officer posts at Band 10 and above to receive up to an additional 3 increments based on performance. The increments are based on the national spinal column points. The top point of the national spinal column is 49, which is also the top of Band 14, it will therefore be necessary to add 3 local increments at the top.

First Incremental performance award

All eligible employees will be invited to submit an application for this based on their achievement of or commitment to working towards the Gedling Management Competencies. For those who have already achieved NVQ level 4 or 5 in Operational or Strategic Management this will be sufficient evidence. For those who have not undertaken this assessment they will be required to submit a written statement for each of the competency areas with evidence about how they demonstrate competency or what development they are undertaking to achieve this. This is not intended to be exceptionally onerous for individuals but in order to ensure this scheme's integrity there needs to be consistency across all Departments. All submissions would need the positive support of their Corporate Director, and where the individual does not report directly to a Corporate Director, the support of their immediate line manager.

It is recognised that the Gedling Manager Competencies are primarily intended for those who manage teams, and that within the grouping of Principal Officers there are some single professional posts. For such roles some latitude in the requirement to meet all elements of each standard will be taken. However, individuals will still be expected to interpret the standards within the context of their job, and where their role does not normally require a particular competence, to identify how they might demonstrate this through development activities, for example participation in working groups.

Where individuals do not meet the requirements for the additional increment, they will be offered the opportunity to agree a development programme such that they can submit a further application at a later stage.

Individuals can choose whether or not to apply for this performance award.

The demonstration of the Gedling Manager competencies is considered to be key to the role of all posts at Band 10 and above, and therefore it is expected that all post-holders will in due course receive this increment.

Second Performance Increment Award

To be eligible for the second performance increment individuals will need to demonstrate that they are engaged with the Council's agenda for change and that they are showing leadership in delivering this. Examples which would demonstrate this include:

- leading by example inspiring enthusiasm and commitment to new ideas and ways of working;
- motivating employees (whether team members or other colleagues) to change ways of working and to improve performance;
- creating an atmosphere of positive thinking and innovation;

Those behaviours that would not lead to this second increment award would include:

- Concentration on own job, resisting change or failing to identify performance improvement
- Not communicating and delegating, paying little attention to the needs of team or other working colleagues

- Demonstrating a lack of interest in new strategies and corporate needs and does not monitor performance or service delivery.

Submission for this Second Performance Increment Award will need to be backed up with examples of active involvement in corporate working, introducing change in service areas, demonstrating initiative and innovation etc. Individuals would be able to demonstrate this leadership either through the work of their individual teams or through leading corporate working groups. It is recognised that not everyone will have the opportunity to demonstrate this leadership, but assessment will be made of the way in which individuals respond to challenges within their teams or corporately, the extent to which they seek to resolve problems rather than constructing barriers to progress.

Again, the individual's submission will need the positive support of their Corporate Director and immediate line manager if not a Corporate Director to go forward.

This Second Performance Increment Award is intended to recognise performance which is beyond the minimum requirement of these posts. It will be made for a period of 3 years and reviewed after this time. Generally it would be anticipated that having demonstrated the requisite behaviours and attitudes, individuals would be unlikely to change, however for the effective management of the scheme a review would be appropriate.

Third Performance Increment Award

The third award will be for exceptional performance over a more limited time period. It is expected that there will be a limited number of these. The intention is to recognise individuals who are responding to particular demands of change. It is not intended that it is paid to recognise additional workload.

Examples might include:

- Sole leadership of a major corporate project
- Working under particularly difficult circumstances eg lack of resources, complexity or high profile
- Implementing major new working arrangements eg outsourcing

The third award would be made only for a maximum of one year initially. Depending on the reason for the award, it may be awarded for part of a year. Individuals would be nominated by SLT rather than submitting an application. Whilst the award could be renewed, it would not be expected that an individual would work at this level for extended periods of time without a review of the role.

3. Procedure

- Applications for the first performance increment can not be made until the individual has reached the top of the incremental scale. At that point they can submit for the first and second award if they feel they meet the criteria.
- In general it would be expected that a submission for first or second award would be made following the individual's annual PDR at which their line manager in consultation with the Corporate Director would discuss the extent to which the individual met the criteria. It would then be for the individual to present their submission with the relevant evidence.
- Once received the Service Manager or Director will progress the submission to the next suitable SLT for corporate consideration.
- Ideally this process will take place during March when most PDRs are carried out. However there is no deadline for these and if awarded an increment will take effect from the 1st of the Month following the date of submission.
- Although the process would preferably be part of the annual PDR, individuals may submit an application at any time they feel they meet the criteria.
- An individual's Corporate Director will make the submission for the 3rd Increment to SLT for approval. Personal submissions are not appropriate for this particular performance increment.

4. Application of the Scheme

The scheme applies from 1st April 2007.

If a post is regraded whilst the post-holder is in receipt of the first or second increments because of changes to duties and responsibilities, the increments will be carried over to the new grade. Normally when a post is re-graded the post-holder commences on the first increment of the new grade, if they are in receipt of incentive increments, these will be made in addition and annual increments within the grade will apply.

If a post-holder already in receipt of incentive increments applies for and is appointed to a post at a higher grade, then they will commence on the bottom incremental point with no incentive increments. In a new role they will need to demonstrate their ability to meet the requirements for a performance increment award, they would normally become eligible for this once they have reached the top of the grade. Where the bottom increment of the higher graded post is less than or the same as their current increment with performance incentive, then they will be placed on the next increment in the band.

5. Appeal Process

The awarding of the first and second increments is based on individuals making submissions through their Corporate Director. If a Corporate Director does not feel that the individual meets the requirements for either increment, the submission will not be progressed for consideration at SLT.

In the event that the individual feels this is unfair, they may appeal against the Corporate Director's decision to the Chief Executive. The individual would submit their evidence to support their submission to the Chief Executive along with any comments about the Corporate Director's decision not to progress the submission. The Chief Executive will consider the evidence, the Corporate Director's reasons and determine whether the individual does meet the criteria for the relevant increment. He will then progress the submission for consideration at SLT. The Chief Executive will determine on the evidence presented whether or not to discuss the appeal with the individual or Corporate Director.

There is no further right of appeal against either the non-submission of an individual for performance increments to SLT or against the decision of SLT.

Pay Protection Policy; 2011

The general policy of the Council is that pay protection is applied over a four year period at a protected rate of 100% in the first 12 months, 75% in the second 12 months and 50% for a further 24 months from the date of commencing a post at a lower grade.

This general policy applies to any and all new pay protection arrangements arising after 7th October 2011.

Any employee already on an existing pay protection arrangement at 7th October 2011 had the terms of the new protection arrangement applied to them with effect from 1st October 2012. From this date, the period of four-year pay protection as described above commenced.

Early Retirement and Redundancy Policy

Aim

To establish fair and consistent criteria for the application of terms for early retirement and redundancy for all employees.

Objectives

To determine a policy for the management of early retirement, flexible retirement and redundancy.

To establish the various steps which would be taken to avoid early retirement and redundancy situations.

To determine a policy for enhancement of pension benefits where there are early retirement and redundancy situations.

To protect the ongoing viability of the pension fund through monitoring of pension enhancements and early release of pension benefits.

1. General Background

1.1 The Audit Commission's report 'Retiring Nature' published in 1997 on the planning and control of early retirement, recommended that Authorities establish greater controls on the enhancements and early release of pension benefits particularly to tackle the 'culture of expectation' that had built up around early retirement. They expressed concern that Authorities were not stating clearly the costs of individual decisions in terms of the actuarial strain arising from the early release of pension benefits. As a consequence Authorities were recommended to identify these costs to Members to inform the decisions being made.

1.2 In a report to Policy and Resources Committee on 20th July 1998 it was agreed that the actuarial strain for all early retirements would be calculated and would be paid into the pension fund over a three-year period to protect Gedling's part of the fund. It was also agreed that a sub-committee be established to consider all early retirement, ill health and redundancy situations, along with the relevant costs and savings in order to make a decision to release the employee. Following constitutional change the appropriate committee is now the Appeals and Retirements Committee.

1.3 As part of their Value for Money reviews, District Audit have also carried out a review of recent early retirement, ill health and redundancy decisions within Gedling. Generally, the pattern of early releases has been satisfactory meeting the requirements of good practice, however their recommendation, in line with those contained in 'Retiring Nature' is that a policy for determining the circumstances and enhancements given to employees should be agreed.

Managing early retirement and redundancy situations requires a proactive approach to minimise distress to individuals and ensure continuity of service provision. There can be no prescribed time limits to resolve any situations but there should be every effort made to avoid excessive waiting and uncertainty. Although there is a requirement for greater transparency about the costs of early retirement in terms of the strain on the superannuation fund, costs and affordability are not the only factors in resolving situations that arise. At all times the needs of the individual and the organisation must be carefully balanced.

New Discretionary Compensation Regulations arrangements were published on 6 November 2006 under which the Government withdrew the existing regulations which allowed the payment of additional discretionary compensation to employees whose employment was being terminated on grounds of redundancy or in the interests of the efficiency of the service and replaced them with a new set of regulations in response to the Age Discrimination legislation, effective from 1 October 2006.

2. Discretions

2.1 In accordance with the requirements of Regulation 7(1) of the Local Government (Early Termination Of Employment) (Discretionary Compensation) (England And Wales) Regulations 2006, Gedling Borough Council has agreed the following policy statement in respect of the discretions available under Regulations 5 and 6 of the same Regulations. Regulation 8 removes a previous discretion available to the Council.

2.1.1 Regulation 5

Redundancy payments will be calculated on the employee's actual week's pay.

2.1.2 Regulation 8

The Council no longer has discretion to waive or reduce contributions of employees who have completed 40 years membership of the Scheme. No repayment of waived contribution will be required from current or ex-employees in cases where payment "holidays" were granted.

3. Redeployment

3.1 When any potential early retirement situation arises consistent with ill-health, redundancy or efficiency of the service, every possible action will be taken to avoid termination of employment. Redeployment is an option that will always be considered.

3.2 In looking for possible redeployment opportunities, every effort will be made to match the employee's existing duties and terms and conditions. It will be necessary for both the individual employee and management to be as flexible as possible in making redeployments suitable.

3.3 Responsibilities of Management

- To make reasonable adjustments to duties and workplace to accommodate the employees needs
- To offer training and development where appropriate to enable the employee to undertake the duties of the redeployment
- To take steps to release vacancies for redeployment
- To offer career counselling to employees to enable them to take full advantage of opportunities offered: including trial interviews, training in completing application forms etc
- To offer trial periods of 4 weeks as required in the Employment Protection (Consolidation) Act and to extend this if it will assist in securing a redeployment
- To notify and consult with the Trade Unions as required by legislation.

3.4 Responsibilities of Employees

- To be flexible in their approach to considering redeployment opportunities
- To undertake training and development in order to undertake the duties of redeployments
- To make every effort to mitigate the requirement for redeployment by actively seeking alternative employment
- To undertake trial periods with a positive approach to ensuring the redeployment will be successful

3.5 Protection

In any redeployment situation, the provisions of the Authority's protection policy will apply. Consideration will be given to assistance with excess travelling expenses should there be a change of base. Reimbursement will be made on the basis of additional expenditure incurred by using public transport. An allowance may also be considered for excess travelling time incurred by a move of base. Both excess travelling expenses and additional travelling time will in any event only be awarded for a maximum period of three years.

3.6 Procedure

When a situation of potential redeployment arises, personnel should be advised immediately. The individual will be offered a personal counselling interview with a personnel officer to identify their own needs and interests.

It may be appropriate to freeze vacancies for redeployment and trial period options that will require the co-operation of management and other employees.

4. Policies and Procedures

The approved policies and procedures of the council are as follows:

4.1. Ill-health Retirement

4.1.1 Definition

This arises when an employee is no longer able to carry out the duties of their post, or comparable due to ill health. This will always be supported by advice from the Authority's recognised occupational health physician who will issue a certificate of permanent incapacity if in their opinion they meet this criterion. The LGPS 2008 Regulations amended the rules of how ill-health retirement is defined and treated.

4.1.2 General issues

Currently, if a certificate of permanent incapacity is issued and the employee is a member of the (Local Government Pension Scheme) LGPS then there are regulations within the scheme that determine the levels of enhancement offered. The Authority cannot alter these and the costs of the enhancement and early release are borne by the pension fund.

Should a certificate of permanent incapacity be issued then a recommendation will be put to the Chief Executive that the employee is dismissed on the grounds of capability due to their ill-health and that if they are a member of the superannuation scheme the appropriate mandatory enhancements and early release are actioned.

4.1.3 Procedure

When ill-health retirement situations arise, they will be identified by management in liaison with Personnel Services. Through counselling and welfare visits the individual's personal situation will be considered and a referral made to the Occupational Health Physician. The advice given will determine whether a recommendation is made for the individual to be given retirement on the grounds of ill health.

No recommendation will be made to the Chief Executive without the clear support of the Occupational Health Physician through the issuing of a certificate of permanent incapacity. In the absence of clear advice supporting ill health retirement and the employee continues to be absent through ill health, alternative courses of action may be considered including redeployment, flexible retirement, early retirement on the grounds of efficiency of the service and dismissal on the grounds of incapacity. The appropriate routes for any course of action will be followed in the interests of both the employee and the Authority.

4.1.4 Release of Pension Benefits

The requirements for release and enhancement of pension benefits on ill health retirement are specified in the Local Government Pension Scheme Regulations.

4.2 Flexible Retirement

4.2.1 Background

The Local Government Pension Scheme Regulations (LGPS) were amended so that from 1 April 2006, scheme members can, with their employer's consent, take a reduction in grade or hours and opt to receive the immediate payment of their pension benefits. In those cases where this is before the age of 60 the benefits are reduced to reflect the fact that payment is made earlier and for longer.

4.2.2 The Local Policy

The local Flexible Retirement Policy is shown at Appendix viii) a).

Where an employee makes a request to retire flexibly, they must first gain support for the reduction in working hours or job duties (and grade) from their Head of Service and the Head of Paid Service. Where the early release of pension would result in a pension strain cost to the authority, approval for the reduction and release of pension will be subject to permission from the Council through the Appeals and Retirements Committee. Permission will only be granted where a business case is produced showing how the cost of the flexible retirement can be recouped over a period of three years.

4.3 Redundancy

4.3.1 Definition

This is defined within the Employment Rights Act as a dismissal which is attributable wholly or mainly to the fact that:

The employer has ceased or intends to cease:

a. to carry on the business for the purposes of which the employee was employed;
or

b. to carry on the business in the place where the employee was so employed;

or

ii. The requirements of the business for employees:

a. to carry out work of a particular kind;

or

b. to carry out work of a particular kind in the place where the employee was employed;

have ceased or diminished, or are expected to cease or diminish

For the purposes of the interpretation of local policy, there is no differentiation between voluntary or compulsory redundancy except where relevant to the facts of the situation.

4.3.2 General Procedure

Where a potential redundancy situation arises there will be consultation with the Trade Unions as required by the Trade Union and Labour Relations (Consolidation) Act. A minimum of 90 days consultation will be given where the numbers of affected employees is greater than 100 otherwise consultation will begin at least 30 days before the first of the dismissals take effect.

In order for a redundancy to be justified it will be necessary for a post to be deleted from the establishment, which would demonstrate that there has been a cessation or diminution of the requirement for that type of work. This loss of a post should provide the financial saving necessary to offset the costs of the redundancy. Every effort will be taken to avoid redundancies, whether voluntary or compulsory through the following steps:

Release any temporary employees with less than one year's service to provide vacancies for employees at risk

Identify existing vacancies either for deletion to make the necessary saving or for redeployment for employees at risk

Search for volunteers for redundancy where their release would provide redeployment for an employee at risk

Freeze of relevant vacancies to ensure redeployment opportunities are maximised

Personal counselling and retraining offered to employees at risk to maximise opportunities for redeployment

If it is likely that a process of selection for redundancy is necessary then a fair and equitable set of criteria will be established. These will be different depending on the circumstances of the redundancy situation and will be subject to consultation with employees and trade Unions.

4.3.3 Release of Pension Benefits

Such cases are covered by the Council's approved policy, required under Regulation 6 of the Local Government (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2006. This is detailed in Appendix viii) b).

For the purposes of this policy, and as required under Regulation 5 of the Discretionary Compensation Regulations 2006, the Council has determined that redundancy payments will be calculated on actual week's pay. This applies also to compensatory payments made under the Council's scheme of payments defined in Appendix vii) b).

4.4 Efficiency of the Service

4.4.1 General Principles

Early retirement and release of pension, together with compensatory lump sum payments may be granted in cases where there is demonstrable business benefit to the Council (this may be financial or related to improvement in performance or quality of service delivery) arising from the payment.

4.4.2 Release of Pension Benefits

Such cases are covered by the Council's approved policy, required under Regulation 6 of the Local Government (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2006. This is detailed in Appendix vii) b).

For the purposes of this policy, the Council has determined that compensatory payments made under the Council's scheme of payments defined in Appendix viii) b) will be calculated on actual week's pay.

5. Financial Implications

5.1 Employing departments are required to identify how the costs of early retirement will be met prior to a recommendation to the Appeals and Retirements Committee. For ill health retirements, this will not be necessary as the individual's situation is such that it is not appropriate to only release employees where costs can be met. The regular actuarial revaluations, which take place for all pension scheme members, take into account the costs of ill health retirement up to an assumed level and consequently the costs are spread over time and across Departments.

5.2 For Early Retirement cases proposed on grounds of efficiency of the service, the Department will identify where savings can be made both by the release of the employee and from other areas of their budgets subject to the approval of the Appeals and Retirements Committee. It may not be necessary for savings to be fully identified in order for there to be agreement; an overall business case will be considered.

5.3 For Redundancy cases there will be an immediate saving from the disestablishment of a post, this will normally be sufficient to fund the redundancy payment and additional compensatory lump sum payment over a period of between one year and eighteen months. The reduction in the salary budget from the loss of the post should then be identified for meeting the costs of any actuarial. Normally these savings should be fully identified before a recommendation will be put to the committee.

5.4 In cases where early release of pension is requested through flexible retirement, a decision will be made taking into account both the financial business case and issues of service improvement, in a similar way to decision taken for cases of efficiency of the service.

6. Procedure

6.1 Following a referral to Personnel Services, when a redeployment situation is identified, all options will be explored by the Head of Service in conjunction with the Head of Customer Services and Organisational Development. It is important that managers take responsibility for managing situations as they arise and that they take early action to prevent individual distress and to avoid excessive costs arising. It is recognised that each situation relates to an individual and their own personal circumstances. People will be treated with respect and with compassion to achieve an outcome which is satisfactory to them and to the Authority.

6.2 Taking into account the individual's preferences and requirements of the Authority a report will be taken to the Appeals and Retirements Committee by the Service Manager- Organisational Development and the Head of Paid Service, including financial comments by the relevant Corporate Director. The Committee will also be advised of developing situations as they arise prior to final recommendations being made.

6.3 Reports to the Appeals and Retirements Committee will be in a standard format and an annual monitoring report will also be presented to the committee with information on all retirements over the previous twelve months.

7. Monitoring

7.1 In accordance with Regulations 7 (2) and (3), any changes to the policy relating to retirement and its application, will not be made until one month after a statement setting out the intended changes has been published. There will be a review of this policy and associated procedures after twelve months of its approval.

FLEXIBLE RETIREMENT POLICY

1. The Scheme

With effect from 1 April 2006, changes to the Inland Revenue tax rules made it possible for employees who are aged 50 or over to draw their pension benefits whilst continuing in employment on reduced hours (or on a reduced grade) with the consent of the Gedling Borough Council – a form of ‘flexible retirement’. (Subsequently this age restriction has been raised to age 55.) Employees who take up this option may continue to pay into the Local Government Pension Scheme to build up further benefits in the Scheme up to the age of 75.

There will be a pension strain (the cost to the employer as a result of the pension being drawn early) if the employee is under 60 without sufficient pensionable service and, in these cases, permission to take flexible retirement will depend on whether there is a business case showing how the costs of the pension strain can be recouped over a maximum period of three years.

Discretionary decisions will be taken by the Appeals and Retirements Committee in all appropriate cases. A report setting out the business case will be needed to obtain permission for the employee to take flexible retirement.

Where an employee is under 65 and does not meet the 85-year rule, the Council may choose to waive, in whole or in part, any actuarial reduction to benefits as a result of them being drawn early. Reductions will usually only be waived in exceptional circumstances where there is a strong business case.

Where a request to voluntarily reduce hours with pension is made, managers must consult with Personnel Services before any decision is communicated to the employee. Personnel Services will request the necessary information from the County Council Pensions Team to enable the manager to construct the business case.

Where an employee voluntarily reduces their hours with pension, a trial period is not possible and therefore the change will form a permanent variation to their contract of employment.

An alternative option to reduction in hours with pension is reduction in grade with pension. Where an employee wishes to draw their pension linked to a reduction in their grade this will be subject as before to a business case for the early release of pension. There is no automatic right to be transferred into a lower-graded post, or for the duties within an existing post to be reduced or diminished, and an employee wishing to take this option will normally be expected to apply for the post in the normal manner and demonstrate competency via an ‘On Merit’ style process. Paragraphs 2-7 of this Scheme apply to reductions in grade with pensions in the same way as reductions in hours with pension. Successfully securing a lower-graded post, or a post with fewer hours through voluntary competition will not mean that the Council will automatically agree to a pension release; a sound business case will need to be made by the employee and their manager prior to the employee taking up “reduced” duties.

2. Appeal

2.1 A right of appeal exists against any recommendation made to the Appeals and Retirements Committee by the Head of Paid Service.

2.2 Prior to a report being made to the Appeals and Retirements Committee, the person who is the subject of the report will be notified of the recommendation to be made. If they do not agree with this recommendation, they will be allowed to submit a written appeal against this. The written appeal will be considered by the Appeals and Retirements Committee as part of its decision in regard to the report submitted. Where the committee may wish to ask the appellant for additional information, they may request that the appellant attends the meeting. Also, if the appellant wishes to make a personal statement of case, they may attend the committee meeting to do this. In either circumstance, the appellant will not be allowed to be present whilst the decision is discussed. If the appellant does attend the meeting, a union representative or work colleague may accompany them.

EARLY RETIREMENT POLICY

1. Early Retirement on Grounds of Redundancy

1.1 For all employees with two or more years' continuous local government service, including service covered by the Redundancy Payments Modification Order, (RPMO) who are dismissed by reason of redundancy, lump sum compensation will normally be payable (inclusive of any statutory redundancy payment) at a level of twice the statutory payment (as defined in compensation rules under the Employment Relations Act 1996) but based on an actual week's pay. This means that the maximum award normally made within the local scheme would be limited to 60 weeks' pay. Under exceptional circumstances, the Committee may agree variation to the normal payment scheme, but still within the 60 week maximum.

1.2 The service that will be taken into account when calculating entitlement to a redundancy payment under this policy will be continuous service with an organisation covered by the RPMO.

2. Early Retirement on Grounds of Efficiency of the Service

2.1 For an employee with two or more years' continuous local government service, (including service covered by the Redundancy Payments Modification Order), who is dismissed in the interests of the efficient exercise of the Council's functions, the Council shall have discretion to make a payment to the employee up to a maximum of 30 weeks' pay in circumstances where there is a demonstrable business benefit to the Council (this may be financial or related to improvement in performance or quality of service delivery) arising from the payment. Payment normally will be based on an amount equivalent to the number of weeks' payable (with no multiplier rate applying) under the ERA 1996 used in redundancy compensation calculations. Under exceptional circumstances, the Committee may vary the payment made, but still within the 30 week maximum.

3. Discretions

3.1 Discretions under this policy shall be applied by the Appeals and Retirements Committee.

3.2 In all cases, redundancy and compensatory lump sum payments covered within this policy will be based on actual week's pay.

4. Additional Membership of the Local Government Pension Scheme

4.1 Employees who are members of the LGPS and are either made redundant or dismissed in the efficient exercise of the Council's functions will have the option of being able to request that the Council converts their lump sum compensation (over and above the statutory minimum) into additional membership of the Local Government Pension Scheme (LGPS). The total amount of membership that can be purchased by the excess lump sum cannot exceed the shorter of:

- 6 2/3 years or;
- By the period by which the employee's total membership falls short of the total membership s/he would have had if s/he continued in the scheme until age 65.

4.2 The request by the employee to convert any of the lump sum into pension must be made at the time the case is brought to the Appeals and Retirements Committee, before the employee leaves the employment of the Council.

5. Appeal

5.1 A right of appeal exists against any recommendation made to the Appeals and Retirements Committee by the Head of Paid Service.

5.2 Prior to a report being made to Appeals and Retirements Committee, the person who is the subject of the report will be notified of the recommendation to be made. If they do not agree with this recommendation, they will be allowed to submit a written appeal against this. The written appeal will be considered by the Appeals and Retirements Committee as part of its decision in regard to the report submitted. Where the committee may wish to ask the appellant for additional information, they may request that the appellant attends the meeting. Also, if the appellant wishes to make a personal statement of case, they may attend the committee meeting to do this. In either circumstance, the appellant will not be allowed to be present whilst the decision is discussed. If the appellant does attend the meeting, a union representative or work colleague may accompany them.

6. Changes to this policy

In accordance with Regulations 7 (2) and (3), any changes to this policy and its application will not be made until one month after a statement setting out the intended changes has been published. The policy will be reviewed after one year to review its effectiveness.

7. Potential employment related claims

In those cases where there is a prospect of an employment related claim, a condition of the Council exercising its discretions under Regulations 5 and 6 may be that the employee agree to sign a compromise agreement under the Employment Rights Act 1996, by which the employee will agree not to pursue any legal claims, including unfair dismissal claims, against the Council. Where an employee unreasonably refuses to enter into such an agreement, the employee will be entitled only to the statutory minimum compensation (if any).