

# Pay Policy Statement

2017-18

28th February 2017



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## 1.0 Leader's Introduction

Carmarthenshire Council recognises the public interest in public sector pay and is committed to being open, transparent and accountable, and as Leader, I want to ensure that our Council tax payers have access to information about how we pay people.



Council services are delivered by people, and the majority of the people we employ live and work in this County. I want to ensure that our services are the best they can possibly be, and that the pay policy seeks to ensure we can attract, retain and motivate the best employees with the right skills to deliver first class services to our Council Tax payers and other stakeholders, that represent excellent Value For Money.

The Council is one of the main employers in this area and it is important that it can offer good quality employment on reasonable terms and conditions and fair rates of pay. This has a beneficial impact on the quality of life within the community as well as on the local economy.

The Council is committed to taking an open and transparent approach to pay, which will enable the local taxpayer to readily access our pay policy statement, understand and take an informed view of whether local decisions on all aspects of remuneration are fair and make best use of public funds. To assist with this, Carmarthenshire County Council has a cross party politically balanced Members Pay Advisory Group that advises the Council on the content of its Pay Policy Statement.

### **Councillor Emlyn Dole**

Leader Carmarthenshire County Council

## 2.0 Purpose

Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay in accordance with the requirements of Section 38 of the Localism Act 2011. It takes account of the Revised Guidance relating to Pay Policy statements issued by the Welsh Government on 16th January 2016, on Pay Accountability in Local Government in Wales, and the supplementary guidance and the suggested good practice issued by the Public Services Staff Commission in December 2016.

The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees (excluding those working in local authority schools) by identifying the methods by which salaries of all employees are determined. This requires English and Welsh Local Authorities to produce and publish a Pay Policy Statement for each financial year detailing:

- The Council’s policies towards all aspects and elements of the remuneration of its Officers and Chief Officers are included within Appendices **A** to **J** of this Pay policy Statement;
- The approach to the publication of, and access to, information relating to all aspects of the remuneration of Chief Officers;
- The Council’s policy on the remuneration of its lowest paid employees;
- The relationship between the remuneration of its Chief Officers and other employees.

This is Carmarthenshire County Council’s sixth annual Pay Policy Statement. This Statement covers the period 1st April 2017 to 31st March 2018.

Once approved by the full Council, this policy statement will supersede the 2016/2017 Pay Policy Statement, and will be subject to review in accordance with the relevant legislation prevailing at that time.

## 3.0 Legislative Framework

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the Equal Pay requirements contained within the Equality Act, the Council

aims to ensure there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

#### **4.0 Scope of the Pay Policy**

The Localism Act 2011 requires local authorities to develop and make public their Pay Policy on all aspects of Chief Officer remuneration (including on ceasing to hold office), and also in relation to the “lowest paid” in the Council, explaining their Policy on the relationship between remuneration for Chief Officers and other groups.

The provisions in the Localism Act 2011 which relate to Pay Policy statements only apply to employees directly appointed and managed by the Council. Employees who are appointed and managed by school head teachers/Governing Bodies are, therefore, not required to be included within the scope of Pay Policy statements. This reflects the unique employment legislation position whereby all schools employees are employed by the local authority but decisions about the appointment and management of such employees are mostly discharged by head teachers/governing bodies, as appropriate. However, all Governing Bodies within Carmarthenshire (including Voluntary Aided Schools) have formally agreed to adopt the Single Status Pay Model and associated terms and conditions of employment for all locally employed staff, with the exception of Teachers who are employed under the nationally agreed Teachers Pay and Conditions.

In the interests of consistency and transparency, the pay-related data which is set out in this Pay Policy statement takes into account the position not including those employees who are appointed and managed by head teachers/governing bodies.

#### **5.0 Terms and Conditions of Employment**

The Council employs approximately 7,900 employees. Their employment is covered by a range of terms and conditions drawn from either:

- National Joint Council for Local Government Services
- Joint National Council for Chief Executives
- Joint National Council for Chief Officers
- Soulbury Committee
- The Joint National Council for Youth and Community Workers
- School Teachers Pay and Conditions

The following are provided as Appendices to this policy:

- Carmarthenshire County Council's Pay Grades - Local Government Services Employees (**Appendix A**)
- Carmarthenshire County Council's JNC Chief Executive and Chief Officer Pay Grades (**Appendix B**)
- **Officer Employment Procedure Rules ( Appendix C)**
- National Pay Grades - Soulbury (**Appendix D**)
- National Pay Grades - JNC Youth & Community Worker (**Appendix E**)
- Local Government Services Employees - Acting Up and Honoraria Schemes (**Appendix F**)
- Market Supplement Scheme (**Appendix G**)
- Discretionary Compensation Regulations (**Appendix H**)
- Severance Scheme (**Appendix I**)
- Flexible Retirement Policy (**Appendix J**)

A breakdown of staff numbers by pay band and gender is included in the **Equal Pay Audit/Equalities Report**.

### **National Pay Awards**

For all employee groups, any nationally agreed pay awards, negotiated at a national level by the local government employers in conjunction with the recognised Trade Unions will be applied, including Chief Officers and the Chief Executive. The Council will pay these nationally agreed pay awards as and when determined unless full Council decides otherwise.

A two year Pay Award for the NJC for Local Government Services had been agreed from 01 April 2016 to 31 March 2018. For points 17 and below, there is a higher percentage increase, ensuring compliance with the national living Wage, with a 1% applied to points 18 and above.

On 1<sup>st</sup> April 2016, the statutory National Living wage was introduced at a rate of £7.20 per hour and in accordance with the Autumn Statement will increase to £7.50 from the 1<sup>st</sup> April 2017. As our current pay model starts at SCP 9 with an hourly rate of £7.97 per hour, the current Pay Model will be unaffected for 2017/18

### **Job Evaluation**

Job evaluation is a systematic way of determining the value/worth of a job in relation to other jobs within an organisation. It aims to make a systematic comparison between jobs to assess their relative worth for the purpose of establishing a rational pay structure and pay equity between jobs. The

Council completed a job evaluation exercise in 2010/2011 in relation to posts governed by NJC employee conditions of service. A new pay and grading Structure, based on the outcome of the job evaluation exercise, was introduced in 2011/12.

The Council uses the nationally negotiated pay spine as the basis for its pay and grading structure. This determines the salaries of the large majority of the Council's non-teaching workforce.

All other pay-related terms and conditions are the subject of national and/or locally negotiated arrangements and referred to the Executive Board and/or Full Council as appropriate.

The senior manager grade (O) was introduced during 16/17 to address differential between the top of this locally agreed grading structure and the bottom of the JNC pay scales. This is to provide the Authority with greater flexibility in the reallocation of responsibilities following the reduction in the number of Head of Service posts. It is intended that a small number of posts will fall into this grade. Any proposal to apply Grade O to any post must be agreed and authorised by the Chief Executive.

### **Starting salaries**

All appointments to jobs with the Council are made at the minimum of the relevant pay grade, although this can be varied where necessary.

The Recruiting Manager in conjunction with HR can authorise a variation of starting salary for all jobs other than those employed on Chief Officer terms and conditions. The Appointments Panels 'A' ( for Corporate Directors) and 'B' ( for Heads of Service) will determine the starting salary of Heads of Service and full Council will determine the starting salary of the Chief Executive.

### **Other pay-related terms and conditions**

All other pay-related allowances are the subject of national and/or locally negotiated agreements.

The terms and conditions of employment relating to annual leave, hours of work, overtime payment, weekend working arrangements and sick pay for all employee groups (with the exception of teaching staff) are set out in our relevant People Management policies.

## **Acting Up and Honoraria Payments**

There may be occasions when an employee is asked to carry out duties which are additional to those of their substantive post, for a period of time, or to 'act up' into a more senior job within the Council, covering the full range of duties of the higher job. In such circumstances an additional payment may be made in line with the Council's policy on payment of acting up or honoraria. The schemes can be found at **Appendix F** and apply to LGS employees only.

The Chief Executive must approve any acting up or honoraria payments proposed for Chief Officers, or where the acting up or honoraria payments would result in the total pay package exceeding £100,000, then approval must be sought from full Council.

Payment of honoraria will only apply to situations of more than four weeks duration and will normally be for the maximum period of up to 12 months, and subject to three monthly interval review unless otherwise agreed.

## **Market Supplement Scheme**

The use of job evaluation enables the Council to set appropriate remuneration levels based on internal job size relativities within the Council. However, from time to time, in exceptional circumstances it may be necessary to take account of the external pay market in order to attract and retain employees with the necessary specific experience, skills and capacity where these attributes are in short supply.

The Council has a Market Supplement Scheme for employees to ensure that the requirement for any market pay supplements is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources. It is the Council's policy that any such additional payments are kept to a minimum and reviewed on a regular basis so that they can be withdrawn where no longer considered necessary for recruitment and retention. The principles underpinning this Market Supplement Scheme are equally applicable to all other employee groups within the Council and may be implemented accordingly.

## **Local Government Pension Scheme (LGPS)**

Subject to qualifying conditions, employees have a right to join the Local Government Pension Scheme (or the Teachers' Pension Scheme, where applicable) and are contractually enrolled into the LGPS, the Authority operates within the auto-enrolment framework set out within the



Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010. The employee contribution rates, which are defined by statute, currently range between 5.5 per cent and 12.5 per cent of actual pensionable pay.

### **Other employee benefits**

The Council believes that it has a responsibility to help support the health, safety and wellbeing of its employees in order to ensure that they are able to perform at their best. As part of this approach and in common with other large employers the Council offers staff benefits in line with its statutory obligations and employment good practice, such as eye test vouchers for users of display screen equipment at work, and salary sacrifice schemes including childcare vouchers and Cycle to Work and Car Salary Sacrifice Scheme.

## **6.0 Decision Making**

In accordance with the Constitution of the Council, the Executive are responsible for decision making in terms of pay, terms and conditions and severance arrangements in relation to employees of the Council. The Council has agreed that a politically balanced Pay Policy Advisory Panel be established to consider the Council's Pay Policy prior to its submission to County Council for approval.

Under the Local Authorities (Standing Order) (Wales) (Amendment) Regulations 2014 any decision to determine or vary the remuneration of chief officers, or those to be appointed as chief officers, must be made by full Council.

## **7.0 Collective Bargaining Arrangements with Trade Unions**

The Council recognises the following trade unions:

### **NJC for Local Government Services**

UNISON

GMB

UNITE

### **JNC for Chief Officers**

UNISON

GMB

### **Soulbury Committee**

Association of Educational Psychologists AEP

PROSPECT

### **JNC for Youth & Community Workers**

UNISON

GMB

### **Teachers**

NAHT

NASUWT

NUT

UCAC

ASCL

ATL

Recognition is for the purposes of consultation and negotiation on a collective basis in relation to relevant matters, which are not determined by National Negotiating bodies, which both parties agree are appropriate / beneficial to be determined by agreement. Negotiations are conducted with the aim of reaching agreement and avoiding disputes. Recognition also relates to representation on an individual trade union member basis.

## **8.0 Senior Pay Remuneration**

### **The Chief Executive**

The Chief Executive has overall corporate management and operational responsibility for all staff and ensures the provision of professional and impartial advice in the decision making process to the Executive Board, Scrutiny committees, the Full Council and other committees. The Chief Executive is also required to represent the authority on partnership and external bodies (as required by statute or the council) and provides these services, on a politically neutral basis. In essence, the Chief Executive is the senior Officer who leads and takes responsibility of the Council.

The Council is a large organisation with an annual revenue spend of some £611m, and a 5 year capital investment programme of £210m, delivering a wide and diverse range of services which the citizens of the County depend upon. Responding to the ongoing reductions in public service spending requires authorities to significantly change the way that they manage their

services. The Council also has an annual spend of £39m on its Housing revenue account together with a, £87m capital investment programme in respect of its Housing stock.

The role of the Chief Executive is a full-time and permanent position, and the post holder is selected on merit, against objective criteria, following public advert. The Chief Executive is appointed by full Council.

As the Head of Paid Service, the Chief Executive works closely with Councillors to deliver the strategic aims of the Council and the following priorities are included in our Well-being objectives:

### **Start Well**

1. Help to give every child the best start in life and improve their early life experiences
2. Help children live healthy lifestyles
3. Continue to improve learner attainment for all
4. Reduce the number of young adults that are Not in Education, Employment or Training

### **Live Well**

5. Tackle poverty by doing all we can to prevent it, help people into work and improve the lives of those living in poverty
6. Create more jobs and growth throughout the county
7. Increase the availability of rented and affordable homes
8. Help people live healthy lives (tackling risky behaviour and obesity)
9. Support good connections with friends, family and safer communities

### **Age Well**

10. Support the growing numbers of older people to maintain dignity and independence in their later years
11. A Council wide approach to support Ageing Well in Carmarthenshire

### **In a Healthy and Safe Environment**

12. Look after the environment now and for the future
13. Improve the highway and transport infrastructure and connectivity

The salary of the Chief Executive as Head of Paid Service with effect from the 1st April 2017 is £171,539 and falls within a range of four incremental points between £159,201 rising to a maximum of £171,539 per annum.

The Council has a statutory duty to appoint a Returning Officer for specified Elections and Referenda. The Chief Executive undertakes this role. The returning Officer is personally responsible for a wide range of function in relation to the conduct of Elections and Referenda, and is paid for discharging these functions in accordance with prescribed fees.

Fees for local elections were agreed by the Policy and Review Committee in April 1999. Fees for non-local elections are set by the Cabinet Office or Welsh Government over which the Council has no jurisdiction.

Expenses in relation to car mileage, public transport, overnight accommodation and parking etc. are claimed back in accordance with the Council's Travel and Subsistence Policy.

The Chief Executive is not an active member of the Local Government Pension Scheme as detailed in the Authority's published Statement of Accounts. There have been no increases or enhancements to the pension outside of standard arrangements.

The notice period is 3 months.

### **Chief Officers – Senior Staff**

For the purposes of this Pay Policy statement, "Chief Officers" are as defined within Section 43 of the Localism Act.

The 21 Chief Officer posts within the substantive structure at Carmarthenshire County Council which fall within the statutory definition of Section 43, as at 31.03.2017 are:

- Chief Executive (1 post)
- Corporate Directors (4 posts)
- Assistant Chief Executives (2 posts)
- Heads of Service (14 posts)

In addition to the substantive structure the following posts are shared regionally with our partners:

- Head of Regional Collaboration (funded by CCC & 5 Regional Partners)
- Head of Integrated Services (funded by CCC/Health)
- Head of School Effectiveness (funded CCC/Pembs)
- Head of Commissioning (funded CCC/Pembs)

The Council does not permit an employee occupying any post on the Council's agreed establishment to be paid other than via the Council's payroll.

## **Pay**

The Pay Advisory Group recommends that Senior Officer Remuneration be subject to National Pay Awards only, and that no further independent evaluation be undertaken pending the decision by Welsh Government in relation to the future of Local Government.

For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1<sup>st</sup> April 2017. These details are available on the Council's website.

- Chief Executive as the head of paid service - the salary of the post falls within a range of four incremental points between £159,201 rising to a maximum of £171,539 per annum;
- Corporate Directors as statutory and non-statutory chief officers - The salary of the posts fall within a range of four incremental points between £114,523 rising to a maximum of £123,218 per annum;
- Assistant Chief Executives as direct reports to the Head of Paid Service - The salary of the posts fall within a range of four incremental points between £97,122 rising to a maximum of £102,917 per annum;
- Heads of Service (including the Monitoring Officer) as direct reports to statutory and non-statutory chief officers - The salary of the posts fall within a range of four incremental points between £85,042 rising to a maximum of £90,709 per annum.

Following appointment and on completion of a satisfactory probationary period, progression through the incremental scale of the relevant grade is subject to satisfactory performance assessed on an annual basis. The Council does not pay bonus or performance related pay to any of its staff.

## **Additions to Salary of Chief Officers**

Chief Officers are remunerated in accordance with their contracts of employment, which provide for a four point incremental salary scale, pension contributions, professional fees and relevant telephone allowances.

Where Chief Officers (and all other employees) use their private vehicles on Council business, the Council pays a standard mileage rate of 45 pence per mile. The Council also reimburses any other reasonable expenses, incurred by

the Chief Officer on behalf of the Council whilst on Council business, on production of receipts and in accordance with JNC conditions and other local conditions.

In addition to the above, the Chief Officers who undertake the following roles receive an additional allowance of 10% of basic salary:

- Deputy Chief Executive
- JNC Heads of Service fulfilling a statutory role, or where significant Head of Service responsibilities have been transferred following a merger of portfolios.

### **Changes to Chief Officer Remuneration**

Any determination of the level or changes to the level or remuneration to be paid to a Chief Officer will be determined by Full Council in line with the requirements of the Local Authorities (Standing Orders) (Wales) Regulations (Amendment) Regulations 2014.

The Council employs Chief Officers under JNC terms and conditions which are incorporated into individual contracts of employment. The JNC for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of same is determined on this basis. Chief Officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this council will therefore pay these as and when determined in accordance with current contractual requirements.

### **Recruitment and Appointment of Chief Officers**

The Council's policy and procedures in relation to the recruitment of Chief Officers is set out within Table 3 of Part 3 (Responsibility for Functions) of the Council's Constitution. The Council when recruiting to all posts, will take full and proper account of its own Recruitment and Selection Policy and procedures, and any other relevant policy) (For example, Redeployment; Disclosure & Barring Scheme; Welsh Language Scheme; Equality & Diversity policies).

The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the authority's pay structure and relevant policies in place at the point of recruitment.

Where the Council remains unable to recruit Chief Officers under a contract of employment or there is a need for interim support to provide cover for a vacant substantive Chief Officer post, the Council will, where necessary, consider

temporary internal acting up arrangements in line with the Council's Payment of Acting Up and Honoraria Policy or external interim appointments. Internal acting up arrangements can be appointed up to a maximum of 12 months in line with the Standing Order Regulations.

Any appointments or severance payments above £100k and any amendments to this Pay Policy will require the approval of Full Council. This figure may be affected by the Public Sector Exit Payment Cap and Recovery Regulations (set out in the Small Business, Enterprise and Employment Act 2015), currently deferred for further public consultation. The Pay Policy will be updated accordingly following any such legislative changes.

### **Joint Appointments**

The White Paper 'Reforming Local Government: Power to Local People' is the Welsh Government's statement of intent about the future of Local Government in Wales. The White Paper sets out the Welsh Government's proposals for reform in the following fields: local democracy, the roles and remuneration of Elected Members and senior officers, community governance and Community Councils, community rights, corporate improvement, service performance, scrutiny, audit, inspection and regulation, and finance.

One of the main themes is the importance of working collaboratively, therefore when senior vacancies arise, including at Chief Officer level, the views of elected members will be sought as to whether consideration of a joint appointment would be appropriate. If members are supportive, discussions will take place with partners and neighbouring authorities to determine whether the post can be reconfigured as a joint appointment, instead of automatically being filled on a like for like basis.

If a decision is made to progress with a joint appointment, both partners will need to reach agreement on the job profile, salary and overall remuneration package of the post, together with the proportion that each party will fund. Where the Council will be the employer of the joint appointee, the determination of the salary and other pay arrangements will be in accordance with the Pay Policy.

Any Chief Officer appointment will be made in accordance with the Constitution.

### **Independent Remuneration Panel**

Section 143A of the Local Government (Wales) Measure 2011 refers to the Independent Remuneration Panel in Wales (“the IRP”) and sets out their functions in relation to salaries of heads of paid service. The IRP may make recommendations about any policy in this Pay Policy Statement which relates to the salary of the Council's head of paid service and any proposed change to the salary of the Council's Head of Paid Service. The Council, will, as required, consult the IRP in relation to any change to the salary of the head of paid service which is not commensurate with a change of the salaries of the Council's other staff, and will have regard to any recommendation received from the IRP when deciding whether or not to proceed with making the change.

The Council is required to identify in this pay policy statement whether any such referral has been made to the IRP, and if so, the nature of the referral, the IRP's decision and the Council's response. The Council has not made any such referral to the IRP.

An authority which chooses not to follow the advice of the Panel may become subject to a Ministerial direction to reconsider their position. The Act also provides that authorities will be able to reduce (but not increase) the salary payable to their head of paid service in advance of a recommendation from the IRP, so long as the contract under which the salary is payable does not prevent the authority from changing the salary after receiving a recommendation. The Local Government (Wales) Act 2015 temporarily extends the power of the IRP, under section 143A of the Local Government (Wales) Measure 2011 to cover salaries payable to chief officers (using the Localism Act definition) as well as the head of paid service.

## **9.0 Talent Management**

Our strategic approach to supporting Talent Management across the Council is underpinned by our People Strategy and the standards by which we strive as an Investors in People employer. We aim to support a workforce that is innovative, skilled, motivated, well informed, high performing, proud to work for Carmarthenshire County Council and committed to delivering high quality services to the public.

Key to delivering this is our ability to successfully recruit, retain and develop our employees to realise their full potential. The following provides an overview of our strategic approach to Talent Management:

Performance Management - Our 'Helping People Perform' (Appraisal) process which as well as placing an emphasis on performance, seeks to put in place personal development plans, developing the skills necessary not only for current



roles, but with a future focus to support career development and succession planning. We have a supportive framework for Mentoring and Coaching at all levels and collaborative with key partners in providing this support.

Career Development – In addition to operating internal and external secondment opportunities, we encourage effective Career Development Conversations – providing potential future leaders and managers with the means to identify effective learning opportunities e.g. shadowing /attachments to projects that support organisational improvement such as our Transform, Innovate and Change programme, Internal Reviewers for Investors in People as well as those that offer both experiential and qualification opportunities e.g. Future Leaders Programme, Academi Wales Summer School .

Succession Planning –Our Work Ready Programme has successfully supported Apprentices and Graduates to gain permanent employment in key service areas. Some of our most critical and effective areas for succession planning include occupations within social care. Our Workforce Development programme equips newly qualified social workers with the advanced knowledge, skills and qualifications they need as they progress to experienced practitioners and, in some cases to more senior practice roles. Our Language Skills Strategy not only supports statutory requirements for Welsh Language but ensures that we are planning for future skills development to sustain excellent service provision.

## **10.0 Performance Related Pay**

The Council does not apply any bonuses or performance related pay to its staff.

## **11.0 Support for Lower Paid Staff**

SCP 6, SCP 7 and SCP 8 have been incrementally removed from the Council's Pay Model with a view to working towards the National Living Wage (NLW). As such the lowest SCP 9 equates to £7.97 per hour (basic) compared with the NLW of £ 7.50 per hour that will take effect from 1<sup>st</sup> April 2017.

This Authority pays supplements for weekend working (8%) and term time working (4%) which increase the basic pay of mainly lower paid staff to a minimum of £8.61 for weekend workers and £ 8.29 for term time workers. These staff are therefore paid above the NLW.

From 1st April 2017, the basic pay for staff who work weekends actually meets and exceeds the requirements of the Living Wage Foundation's higher rate of £8.45 per hour.

## **12.0 Exit Policy**

### Early Retirement, Voluntary Redundancy and Compulsory Redundancy

The Council's approach to statutory and discretionary payments on termination of employment of employees, prior to reaching normal retirement age, is set out within its Discretionary Compensation Policy statement. This discretionary policy was agreed by County Council on 9th August 2014, in accordance with Local Government Pension Regulations and is attached at Appendix H.

Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made in accordance with the Scheme of Delegation as contained within the Council's Constitution.

The Council operates a Severance Scheme to all its employees, payments under which are authorized in accordance with the above discretionary policy. Our current Severance Scheme is attached at Appendix I.

The Authority will comply with the Welsh Government's guidance that full Council should be given the opportunity to vote before large severance packages beyond a particular threshold are approved for Chief Officers leaving the organisation. The guidance states that "as with salaries on appointment, the Welsh Ministers consider £100,000 is the right level for that threshold to be set. Members must be made aware of any statutory or contractual entitlements due to the employee and the consequences of a non-approval by Council, in which failure to fulfil the statutory or contractual obligations may enable the employee to claim damages for breach of contract".

When calculating the value of a severance package, the following payments will be included:

- a. Salary paid in lieu of notice
- b. Lump sum redundancy/severance payment
- c. Cost to the Council of the strain on the pension fund arising from early access to an unreduced pension.

Chief Officers and all other eligible Council Employees are permitted to take flexible retirement in accordance with the provisions of the Local Government Pension Scheme and the Council's Flexible Retirement Scheme.

## **Exit Cap and Recovery Provisions**

In 2017, the UK Government intends to introduce Regulations that will impose a cap of £95,000 on exit payments for public sector workers. It also intends to develop regulations to enable the recovery of exit payments made to employees who leave the public sector and return within 12 months, although the timetable for these regulations is not as clear. The minimum salary to which the recovery provisions will apply is £80,000 per annum. If and when the UK Government introduces these Regulations, Council policies will be updated as appropriate to take this into account.

Welsh Ministers will have the power to relax the cap in relation to exit payments made by authorities that wholly or mainly exercise devolved functions – this includes (but is not limited to) exit payments made to staff of NHS bodies, local authorities, fire and rescue services, National Park authorities and sponsored bodies in Wales. This power will come into effect when the cap is introduced although until the regulations are finalised it is difficult to be clear on how Welsh Ministers will decide to operate this waiver in practice.

## **Re-employment**

Employees who voluntarily leave the Council's employment under the Council's Severance Scheme cannot be re-employed in any capacity including on a casual basis, until at least 1 year has elapsed. Under no circumstances should an employee be re-appointed into the same or similar job to the one in which s/he was employed at the time of leaving. All such appointments should be made via the usual Authority's recruitment procedures.

However, in exceptional circumstances only employees may be re-employed by the Council prior to 1 year, subject to the agreement of the Chief Executive and Leader of the Council. In approving a re-employment the Authority will need to be satisfied that:

- The employee is not being re-employed in a role or capacity, which is broadly similar to the role from which they left voluntarily
- The rate of pay applied to the work undertaken by the re-engaged employee should be that appropriate to the work to be done and not the grading which applied to the employee prior to the end of their current contract
- The employment should be for a fixed term, not exceeding one year, unless there are exceptional circumstances; and
- The arrangement must provide financial / operational advantage to the Council.

This will be operated entirely at the Council's discretion and the decision in respect of each application would be final.

## 13.0 Pay Relativities within the Council

### Lowest Paid Employees

The Council's definition of lowest paid persons for the purposes of this statement is:

- Those employed under a contract of employment with the Council who are employed on full time 37 hours equivalent salaries; and
- Whose total remuneration is equivalent to Spinal Column Point (SCP) 9 of the nationally negotiated pay spine used within the Council's local grading structure.

This definition is adopted to correlate with the National Joint Council (NJC) for Local Government Services recognition of lower paid employees within the national pay spine.

The relationship between the rate of pay for the "lowest paid" employees and the Council's Chief Officers is regulated by the processes used for determining pay and grading structures as set out in this Pay Policy Statement.

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton "Review of Fair Pay in the Public Sector" (2010).

Will Hutton was asked by the UK Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organization.

Hutton concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between the highest rate of pay and the median average pay of the whole of the Council's workforce (but excluding teachers and other employees appointed and managed by schools, in the case of local authorities).

The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

As part of its commitment to pay transparency, and following the recommendations of the Hutton "Review of Fair Pay in the Public Sector" (2011), the Council will publish the following information on an annual basis:

- The multiple between the annual salary of the lowest paid Council employee and the Chief Executive (full-time equivalent basis) as a ratio
- The multiple between the annual salary of the lowest paid Council employee and the average Chief Officer (full-time equivalent basis) as a ratio
- The multiple between median earning of Council employees and the Chief Executive (full-time equivalent basis) as a ratio
- The multiple between median earning of Council employees and the average Chief Officer (full-time equivalent basis) as a ratio.

The information for 2017-2018 is as follows:

### **Multiple of Salary Ratio**

- The multiple between the annual salary of the lowest paid Council employee and the Chief Executive (full-time equivalent basis) as a ratio 11.16:1
- The multiple between the annual salary of the lowest paid Council employee and the average Chief Officer (full-time equivalent basis) as a ratio 6.46:1
- The multiple between median earning of Council employees and the Chief Executive (full-time equivalent basis) as a ratio 9.47:1
- The multiple between median earning of Council employees and the average Chief Officer (full-time equivalent basis) as a ratio 5.48:1

All other pay related allowances are subject to either nationally or locally negotiated rates, that are determined in accordance with collective bargaining machinery and/or Council Policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money against the ability to recruit and retain appropriately skilled and experienced employees that can deliver high quality services to the public.

New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary subject to the qualifying criteria within the Council's Recruitment Salaries Guidance and/or Market Supplement Scheme.

## **14.0 Publication**

Upon approval by the full Council, this Pay Policy statement will be published on the Council's website.

In addition, for posts where pay is at least £60,000 per annum, as required under the Accounts and Audit (Wales) (Amendment) Regulations 2014, the Council's Annual Statement of Accounts will include a note setting out the total amount of:

- a) Salary, fees or allowances paid to or receivable by the person in the current and previous year
- b) any bonuses so paid or receivable by the person in the current and previous year
- c) any sums payable by way of expenses allowance that are chargeable to UK income tax
- d) any compensation for loss of employment and any other payments connected with termination
- e) any benefits received that do not fall within the above

The authority will present this statement to full council before it is formally adopted and before the end of each financial year, i.e. 31 March.

*(If you require this information in an alternative format (for example large print), please contact People Management on Ext: 6184 or email: [PMBusinessSupportUnit@carmarthenshire.gov.uk](mailto:PMBusinessSupportUnit@carmarthenshire.gov.uk))*

## Appendix A – NJC Payscale

Grade Structure			BASIC ONLY		BASIC + 8%		BASIC + 4%		Old Scales	
			Spinal Point	Apr-17 Salary(£'s)	Apr-17 Hrly Rate	Apr-17 Salary(£'s)	Apr-17 Hrly Rate	Apr-17 Salary(£'s)	Apr-17 Hrly Rate	APT&C
			7							
			8							Grade 4
			9	15,375	7.9693	16,605	8.6068	15,990	8.2880	Grade 5
	Grade A		10	15,613	8.0926	16,862	8.7400	16,238	8.4166	Grade 6
Grade C	Grade B		11	15,807	8.1932	17,072	8.8489	16,439	8.5208	
			12	16,123	8.3570	17,413	9.0256	16,768	8.6913	
			13	16,491	8.5477	17,810	9.2314	17,151	8.8898	Scale 2
			14	16,781	8.6980	18,123	9.3936	17,452	9.0458	
		Grade D	15	17,072	8.8489	18,438	9.5569	17,755	9.2029	Scale 3
			16	17,419	9.0287	18,813	9.7513	18,116	9.3900	
			17	17,772	9.2117	19,194	9.9488	18,483	9.5802	
			18	18,070	9.3662	19,516	10.1157	18,793	9.7409	
Grade E			19	18,746	9.7165	20,246	10.4940	19,496	10.1053	Scale 4
			20	19,430	10.0711	20,984	10.8766	20,207	10.4738	
			21	20,138	10.4381	21,749	11.2731	20,944	10.8558	
			22	20,661	10.7091	22,314	11.5659	21,487	11.1373	Scale 5
			23	21,268	11.0238	22,969	11.9054	22,119	11.4649	
		Grade F	24	21,962	11.3835	23,719	12.2942	22,840	11.8386	Scale 5
			25	22,658	11.7442	24,471	12.6840	23,564	12.2138	
			26	23,398	12.1278	25,270	13.0981	24,334	12.6130	Scale 6
			27	24,174	12.5300	26,108	13.5325	25,141	13.0312	
Grade G			28	24,964	12.9395	26,961	13.9746	25,963	13.4573	Scale 6
			29	25,951	13.4511	28,027	14.5271	26,989	13.9891	
			30	26,822	13.9026	28,968	15.0149	27,895	14.4587	SO1
			31	27,668	14.3411	29,881	15.4881	28,775	14.9148	
			32	28,485	14.7645	30,764	15.9458	29,624	15.3549	
		Grade H	33	29,323	15.1989	31,669	16.4149	30,496	15.8069	SO2
			34	30,153	15.6291	32,565	16.8793	31,359	16.2542	
Grade I			35	30,785	15.9567	33,248	17.2333	32,016	16.5947	POA
			36	31,601	16.3796	34,129	17.6900	32,865	17.0348	
			37	32,486	16.8384	35,085	18.1855	33,785	17.5117	POB
			38	33,437	17.3313	36,112	18.7178	34,774	18.0243	
			39	34,538	17.9020	37,301	19.3341	35,920	18.6183	POC
		Grade J	40	35,444	18.3716	38,280	19.8415	36,862	19.1066	
			41	36,379	18.8562	39,289	20.3645	37,834	19.6104	
Grade K			42	37,306	19.3367	40,290	20.8834	38,798	20.1100	POD
			43	38,237	19.8193	41,296	21.4048	39,766	20.6118	
			44	39,177	20.3065	42,311	21.9309	40,744	21.1187	
			45	40,057	20.7626	43,262	22.4238	41,659	21.5930	POE
			46	41,025	21.2643	44,307	22.9655	42,666	22.1149	
			47	41,967	21.7526	45,324	23.4926	43,646	22.6229	
		Grade L	48	42,899	22.2357	46,331	24.0146	44,615	23.1251	POF
			49	43,821	22.7136	47,327	24.5308	45,574	23.6222	
Grade M			50	44,708	23.1733	48,285	25.0274	46,496	24.1001	
			51	45,632	23.6523	49,283	25.5447	47,457	24.5982	POG
			52	46,532	24.1188	50,255	26.0485	48,393	25.0834	
			53	47,436	24.5873	51,231	26.5544	49,333	25.5706	
			54	49,220	25.5120	53,158	27.5532	51,189	26.5326	
		Grade N	55	51,749	26.8229	55,889	28.9688	53,819	27.8958	Snr Mgr
			56	54,267	28.1280	58,608	30.3781	56,438	29.2533	
			57	56,791	29.4363	61,334	31.7910	59,063	30.6139	
Grade O			58	61,032	31.6345	65,915	34.1655	63,473	32.8997	
			59	64,163	33.2574	69,296	35.9180	66,730	34.5879	
			60	67,456	34.9642	72,852	37.7611	70,154	36.3627	
			61	70,916	36.7576	76,589	39.6981	73,753	38.2281	

## Appendix B – Salaries for Chief Executive/Chief Officers w.e.f. 01/04/2017

### Chief Executive

£	Incremental Point
171,539	4
168,287	3
165,041	2
159,201	1

### Directors

£	Incremental Point
123,218	4
121,045	3
118,873	2
114,523	1

### Assistant Chief Executive

£	Incremental Point
102,917	4
102,240	3
100,535	2
97,122	1

### Heads of Service (1)

£	Incremental Point
90,709	4
89,290	3
87,875	2
85,042	1



## Appendix C

### 1. Recruitment of Chief Executive and Chief Officers -Officer Employment Procedure Rules

These Rules are designed to conform with the requirements of the Local Authorities (Standing Orders) (Wales) Regulations 2006 ("the Regulations") as amended by the Local Authorities (Standing Orders) (Wales) (Amendment) Regulations 2014 ("the Amending Regulations"). Some of the Rules are also locally determined but in the event of any conflict with the Regulations, the latter shall prevail. The Rules covered by the Regulations cannot be amended other than by legislation. These Rules need to be read in conjunction with the full Regulations and Amending Regulations, copies of which are available from Legal Services.

In these Rules, the following terms have the meaning prescribed by the Regulations:

(a) "Chief Officer" means the Head of its Paid Service ; a statutory Chief Officer in paragraph (a), (c) or (d) of Section 2(6) of the Local Government and Housing Act 1989 ("the 1989 Act"); a non-statutory Chief Officer within the meaning of Section 2(7) of the 1989 Act above; the Monitoring Officer and Head of Democratic Services; and any reference to an appointment or purported appointment of a Chief Officer includes a reference to the engagement or purported engagement of such an Officer under a contract of employment.

(b) "Head of Paid Service" means the officer designated under Section 4(1) of the 1989 Act.

(c) "Chief Finance Officer" means the officer having responsibility for the purposes of Section 151 of the Local Government Act 1972.

(d) "Monitoring Officer" means the officer designated under Section 5(1) of the 1989 Act.

(e) "Head of Democratic Service" means the officer designated under Section 8 of the Local Government (Wales) Measure 2011.

(f) "Deputy Chief Officer" means a person within the meaning of Section 2(8) of the 1989 Act.

(g) "disciplinary action" in relation to a member of staff of the Council means any action occasioned by alleged misconduct which, if proved, would, according to the usual practice of the Council, be recorded on the member of staff's personal file, and includes any proposal for dismissal of a member of

staff for any reason other than redundancy, permanent ill-health or infirmity of mind or body, but does not include failure to renew a contract of employment for a fixed term. <sup>1</sup>

(h) "member of staff" means a person appointed to or holding a paid office or employment, under the Council.

(i) "remuneration" has the same meaning as in Section 43(43) of the Localism Act 2011

## **2. Recruitment of Chief Officers**

2.1. Where the Council propose to appoint a Chief Officer within the terms of the Regulations and the remuneration which it proposes to pay to the Chief Officer is £100,000 or more per annum it shall take the steps set out in paragraph 2.2.3.

2.2. Where the Council proposes to appoint a Chief Officer and where it is not proposed to pay to the Chief Officer the remuneration mentioned in paragraph 2.1. and it is not proposed that the appointment be made exclusively from among its existing officers it shall take the steps set out in paragraph 2.2.3.

2.2.3. The Council shall:-

(a) draw up a statement specifying —

(i) the duties of the officer concerned, and

(ii) any qualifications or qualities to be sought in the person to be appointed

(b) make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it and

(c) make arrangements for a copy of the statement mentioned in paragraph (a) to be sent to any person on request.

2.2.4. The requirement to advertise contained in paragraph 2.2.3. (b) does not apply where the proposed appointment under paragraph 2.1. is for a period of no longer than twelve months.

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<sup>1</sup> This definition derives from Regulation 2 of the Regulations

## Appendix D

### SOULBURY PAY SCALES

#### Educational Improvement Professionals

SCP	Current	01.09.16	01.09.17
1	33396	33730	34067
2	34592	34938	35287
3	35721	36078	36439
4	36865	37234	37606
5	38003	38383	38767
6	39142	39533	39928
7	40338	40741	41148
8	41487*	41902*	42321*
9	42828	43256	43689
10	44023	44463	44908
11	45203	45655	46112
12	46346	46809	47277
13	47640**	48116**	48597**
14	48792	49280	49773
15	50066	50567	51073
16	51219	51731	52248
17	52373	52897	53426
18	53507	54042	54582
19	54676	55223	55775
20	55280***	55833***	56391***
21	56441	57005	57575
22	57452	58027	58607
23	58566	59152	59744
24	59564	60160	60762

25	60633	61239	61851
26	61674	62291	62914
27	62740	63367	64001
28	63819	64457	65102
29	64902	65551	66207
30	65983	66643	67309
31	67054	67725	68402
32	68143	68824	69512
33	69232	69924	70623
34	70347	71050	71761
35	71458	72173	72895
36	72603	73329	74062
37	73728	74465	75210
38	74866	75615	76371
39	75988	76748	77515
40	77109	77880	78659
41	78237	79019	79809
42	79362	80156	80958
43	80488	81293	82106
44	81619	82435	83259
45	82747	83574	84410
46	83876	84715	85562
47	85010	85860	86719
48	86134****	86995****	87865****
49	87262****	88135****	89016****
50	88391****	89275****	90168****

Notes:

Salary scales to consist of not more than four consecutive points based on the duties and responsi

\* normal minimum point for EIP undertaking the full range of duties at this level.

\*\* normal minimum point for senior EIP undertaking the full range of duties at this level.

\*\*\* normal minimum point for leading EIP undertaking the full range of duties at this level.

\*\*\*\* extension to range to accommodate structured professional assessments

### Young People's / Community Service Manager

SCP	Current	01.09.16	01.09.17
1	34637	34983	35333
2	35770	36128	36489
3	36903	37272	37645
4	38059*	38440*	38824*
5	39234	39626	40023
6	40380	40784	41192
7	41553**	41969**	42388**
8	42885	43314	43747
9	43620	44056	44497
10	44754	45202	45654
11	45883	46342	46805
12	47013	47483	47958
13	48135	48616	49103
14	49269	49762	50259
15	50404	50908	51417
16	51542	52057	52578
17	52686	53213	53745
18	53822	54360	54904
19	54952	55502	56057
20	56107***	56668***	57235***
21	57284***	57857***	58435***
22	58487***	59072***	59663***
23	59715***	60312***	60915***
24	60969***	61579***	62194***

Notes

The minimum Youth and Community Service Officers' scale is 4 points.

Other salary scales to consist of not more than four consecutive points based on duties and respon

\* normal minimum point for senior youth and community service officers undertaking the fi

\*\* normal minimum point for principal youth and community service officer undertaking the

\*\*\* extension to range to accommodate discretionary scale points and structured professional

### **Trainee Educational Psychologists**

SCP	Current	01.09.16	01.09.17
1	22503	22728	22955
2	24151	24393	24636
3	25796	26054	26314
4	27444	27718	27996
5	29090	29381	29675
6	30737	31044	31355

### **Assistant Educational Psychologists**

SCP	Current	01.09.16	01.09.17
1	27662	27939	28218
2	28792	29080	29371
3	29922	30221	30523
4	31045	31355	31669

### **Educational Psychologists - Scale A**

SCP	Current	01.09.16	01.09.17
1	35027	35377	35731
2	36805	37173	37545
3	38583	38969	39359
4	40360	40764	41171
5	42137	42558	42984
6	43914	44353	44797

7	45588	46044	46504
8	47261	47734	48211
9	48829*	49317*	49810*
10	50398*	50902*	51411*
11	51861*	52380*	52903*

Salary scales to consist of six consecutive points based on the duties and responsibilities attaching

\* Extension to scale to accommodate structured professional assessment points.

### Senior and Principal Educational Psychologists

SCP	Current	01.09.16	01.09.17
1	43914	44353	44797
2	45588	46044	46504
3	47261	47734	48211
4	48829	49317	49810
5	50398	50902	51411
6	51861	52380	52903
7	52462	52987	53516
8	53584	54120	54661
9	54696	55243	55795
10	55828	56386	56950
11	56937	57506	58081
12	58068	58649	59235
13	59219	59811	60409
14	60330	60933	61543
15	61495	62110	62731
16	62649	63275	63908
17	63810	64448	65093
18	64970	65620	66276

Salary scales to consist of not more than four consecutive points based on the duties and responsibilities

\* Normal minimum point for the principal educational psychologist undertaking the full range of

\*\* Extension to range to accommodate discretionary scale points and structured professional assessment





## Appendix E

### JOINT NEGOTIATING COMMITTEE FOR YOUTH AND COMMUNITY WORKERS

#### Youth and Community Support Worker Range

Pay Points	w.e.f 1.9.09		
1	14,143		
2	14,733		
3	15,324		
4	15,917		
5	16,509		
6	17,100		
7	17,697	<b>Professional Range</b>	
8	18,291		
9	19,047		
10	19,636	Pay Points	w.e.f 1.9.09
11	20,591	11	20,591
12	21,525	12	21,525
13	22,489	13	22,489
14	23,485	14	23,485
15	24,166	15	24,166
16	24,875	16	24,875
17	25,574	17	25,574
		18	26,279
		19	26,975
		20	27,673
		21	28,461
		22	29,352

Professional / Full-time Staff

Support Worker	10-13	YOUTH1
Youth Worker	14-15(Bar)16-17	YOUTH2
Project Staff (Streets, Dr Mz)	17-20	YOUTH3

Sessional Staff

Support Worker 1	3-4(Bar)5-6	YOUTH4
Support Worker 2	6-7(Bar)8-9	YOUTH5
Leader	12(Bar)13-15	YOUTH6

23	30,219
24	31,091
25	31,968
26	32,847
27	33,726
28	34,613
29	35,496
30	36,377

### **PAYMENT OF ACTING UP AND HONORARIA POLICY**

#### **INTRODUCTION**

The purpose of this policy is to set out the principles under which additional payments should be made to employees who temporarily undertake additional duties and responsibilities. The opportunity to do this can provide an employee with a valuable opportunity to develop their skills and gain experience, in preparation for possible future promotion. For this reason the selection process for acting up needs to be transparent, fair and in keeping particularly with the Council's Equality and Diversity Policy, Recruitment and Selection Policy and Secondment Policy. Employees are entitled to be fairly rewarded, on the basis outlined below, for being asked to undertake additional responsibilities which are above and beyond the scope of the grade of their post.

#### **SCOPE**

This procedure covers all employees including centrally employed school staff except centrally employed teachers and staff on the complement of locally managed schools.

#### **ACTING UP ALLOWANCES**

Acting up allowance is payable only where an employee is authorised to take on the full duties and responsibilities of a higher graded post. Payment will be made from Day 1 / Shift 1 of the acting up period where the full duties of the higher-graded post are being carried out. This may occur as a result of:

- Temporarily filling a post until a substantive appointment can be made
- Filling a key post while another employee is on maternity leave
- Filling a key post to cover long term sickness absence
- Filling posts due to other temporary extended leave arrangements e.g. secondments.

Payment should be based on the salary which would apply were the officer to be promoted to the higher level post, which would normally be the bottom point of the higher grade.

#### **Authorisation of acting up allowances**

Where a manager believes that payment of an acting up allowance is appropriate they should seek the authorisation of their Director and the Assistant Chief Executive (People Management and Performance) or their Principal HR Officer to check that the conditions outlined above have been met. A change of circumstances form should then be completed and the employee asked to sign it, wherever possible, to indicate their acceptance of the change. The form should also indicate an end date for the payment of the allowance if known, or the circumstances on which the allowance is likely to end, e.g. when a certain employee returns from sick leave.

The exception to this authorisation process is where health & safety requirements or minimum staffing levels for supervision are necessary to ensure safe service delivery, eg. in a residential or home care setting, refuse rounds, school catering service. In such circumstances the operational manager can authorise on a daily basis, as appropriate.

### **Timescale**

Wherever possible the likely duration of the period of acting up should be indicated before it commences. If this is not possible, the arrangements should be regularly reviewed. It must be remembered that acting up is a temporary arrangement and in no circumstances should be allowed to exceed 12 months.

### **Subsequent promotion to the higher grade**

If an employee is subsequently promoted to the higher grade, periods of acting up will be taken into account when deciding the point on the salary scale on which they are appointed.

### **Selection process for acting up**

If there is a deputy to the temporarily vacant position, i.e. as clearly outlined within their existing role profile, then that employee should be asked to act up. If there is no clearly identified deputy then the manager should bring the opportunity to the attention of all eligible employees within the division/department. If it is unclear who should be classified as eligible the advice of the Departmental Human Resources Officer should be sought. If the manager wishes to reach a wider pool of employees or has been unsuccessful in identifying a suitable candidate from within their own division/department, the acting up opportunity will be advertised internally as a secondment opportunity. However, it should be noted that the secondment of an employee from another department can only take place with the agreement of the manager of the department concerned and this should be made clear on the advert.

Suitability of all candidates should be assessed against the role profile and person specification for the post.

In the case of there being more than one potentially suitable candidate, competitive interviews should be held. In the case of extended acting up, managers should consider the post being covered by several employees in turn, in order to share the opportunity to gain experience.

### **Covering the workload of the person acting up**

Options for this include: redistributing his/her duties, appointing a temporary employee, looking for another employee to act up or second into their post. These options should be discussed with the Departmental Human Resources Officer.

## **Employees on protected salaries**

Employees who are on protected salaries who undertake duties of a higher grade than their evaluated grade, but not higher than their protected salary are not entitled to receive any additional remuneration. They should still be encouraged to undertake the opportunity of acting up as part of their development to assist them in improving their promotion prospects.

## **Ending the acting up arrangements**

Performance in the acting up position should be regularly reviewed in conjunction with the employee who may need additional training and support, and in line with the Council's Helping People to Perform appraisal process. If concerns regarding performance do arise then these should be discussed before the decision is taken to end the acting up arrangement.

At least one week's notice of the end of the acting up period should be given and a further change of circumstance form needs to be completed by the manager to ensure that payment for acting up is ended. Settling back in to their original role can be difficult for an employee and managers need to be sensitive to potential problems in this respect. There is no automatic right to the substantive post for employees who have acted up. However, employees who have acted up in a post who are not subsequently appointed following competitive interviews must receive constructive feedback as to why they were not successful.

This is with the exception of acting up arrangements due to health & safety and/or minimum staffing requirements which can be reviewed on a daily basis by the operating manager.

## **PAYMENT OF HONORARIA**

In many cases the absence of a senior officer means that their duties are shared across a number of other individuals, in particular the line manager of the absent employee may be required to "act down" and undertake the absent officer's managerial responsibilities. Payment of an honorarium is only appropriate where additional responsibilities of a higher grade have been undertaken, not simply an increase in the volume of work. Payment will be made only when those additional duties have been carried out for a minimum of 28 days.

## **Onerous duties**

In exceptional circumstances e.g. severe weather, there may be occasions where employees undertake duties which are particularly onerous and which may justify a "one off" payment of honoraria. Authorisation of payments in the case of "onerous duties" can only be given by the collective approval of the Corporate Management Team.

## **Authorisation of payment of honoraria**

Payment will be allowed for temporary additional responsibility over and above the graded post. Payment will be based on the difference between the substantive grade and the grade of new duties being undertaken. These additional responsibilities **must** be assessed by the Job Evaluation Manager or their nominated representative prior to approval being sought. Once evaluation has been undertaken Heads of Service are responsible for seeking the authorisation of their Director and the Assistant Chief Executive (People Management and Performance) or nominated Principal HR Officer to their proposal.

Once the payment and duration has been authorised the outcome should be discussed with the employee as soon as possible by the line manager and confirmed in writing.

### **AWARENESS OF COST IMPLICATIONS**

In principle, acting up allowances and honoraria should be funded from individual cost centres' staffing budgets and therefore managers are reminded to be aware of the financial implications of any decisions in relation to how they cover for employee absences. In particular they should consult the accountant for their division before making any decisions as costs should be met from existing staffing budgets. In exceptional circumstances then a case for additional funding may be made to the Corporate Management Team.

### **COMPLAINTS BY EMPLOYEES**

The fair application of the above policy is designed to avoid complaints by employees in respect of acting up arrangements and honorarium payments. However, where an employee has a complaint they should first seek to resolve the matter informally by discussing it with their line manager, in keeping with the Council's Grievance Procedure. The advice of the Departmental Human Resources Officer should be sought at an early stage in these circumstances in order to avoid any ongoing disagreement.

### **ENSURING EQUALITY OF TREATMENT**

This guidance must be applied consistently to all employees irrespective of race, colour, nationality (including citizenship), ethnic or national origins, language, disability, religion, belief or non-belief, age, gender, gender reassignment, sexual orientation, parental or marital status, pregnancy or maternity.

### MARKET SUPPLEMENT SCHEME

#### 1. Purpose of scheme

The use of a Job Evaluation scheme allows for the creation of a fair and equitable pay structure which ensures rates of pay are based on robust criteria across the organisation. However, the resulting rates of pay may not necessarily reflect the value of jobs in the wider external market place.

This market supplement scheme has been developed to recognise that there may be times when specific skills and experiences are in short supply. Use of market supplement payments is one way of ensuring we secure sufficient employees with the required skills to safeguard the provision of these services.

A key purpose of the scheme is to ensure that any market supplements are paid fairly and consistently to avoid the risk of non-compliance with equal pay legislation. There would need to be clear evidence that the basic rate of pay being paid by Carmarthenshire County Council for a specific job is significantly lower than the market rate for a relevant and equivalent post in a similar market and that any recruitment or retention problems are due to rates of pay.

However, the introduction of market supplements must be properly controlled in order to avoid the creation of potentially unlawful pay disparities and Equal Pay Act risks. There are, therefore, very specific rules to the application of market supplements to ensure that they can be objectively justified.

Market Supplements must be:

- I. Restricted to a limited number of jobs where there is clear evidence that the Council's own pay is significantly lower and / or demonstrably competitive to the market rate for specific jobs **and** there are enduring recruitment or retention problems.
- II. Applied only where there are recruitment or retention problems in relation to a very specific role (a generic application to, for example, all social workers, could not be justified if the problems related to childcare social workers alone).
- III. Designated as temporary and subject to regular review and monitoring as to outcomes.
- IV. Applied to existing as well as newly recruited post-holders in the relevant job
- V. Clearly identified as separate from basic pay (so that their basis is understood by the employee and they can be justified if an equal pay issue arises)
- VI. Ideally paid separately from basic pay, either monthly, quarterly, half yearly or as an annual payment (whichever best serves as a recruitment and/or retention measure)
- VII. Capable of being withdrawn. The contractual terms and a process for withdrawal should be clear and established.

VIII. Phased out or withdrawn if a review shows they are not consistent with the above criteria.

### **3. Scope of the scheme**

This procedure covers all employees including centrally employed school staff except centrally employed teachers and staff on the complement of locally managed schools.

### **4. Use of scheme**

This scheme replaces any earlier scheme operated by Carmarthenshire County Council and will be implemented alongside the new Carmarthenshire County Council pay and grading structure.

The scheme will be applied to specific posts on a temporary basis where a suitable business case is developed and approved. The scheme is not designed to reflect an individual's performance.

The scheme will be subject to periodic review to ensure it remains relevant.

### **5. Preparation of a market supplement business case**

Before a business case is put forward for a market supplement, the Head of Service must satisfy him/herself that all non-pay related measures to successfully recruit and / or retain a staff member have been reasonably explored, including a review of the skills, qualifications and experiences required for the post.

If a market supplement is still considered appropriate, the Head of Service should develop a business case which should be submitted to the Assistant Chief Executive (People Management and Performance), or nominated representative, with evidence of failure to recruit and / or retain staff as well as evidence of pay rates for the role in other relevant organisations.

The Assistant Chief Executive (People Management and Performance) or their nominated representative, in conjunction with the and Job Evaluation team, will respond to the Head of Service to either recommend the market supplement be paid or to refuse the request.

The following information will be taken into account when making the decision whether it is appropriate to pay a market supplement.

- Evidence demonstrating the nature and extent of the recruitment / retention difficulties
- The extent of the potential impact on services if the recruitment / retention difficulties are not resolved
- The likely duration of the problem



- Evidence of pay data from the relevant comparator organisations. This may be based on local, regional or national data depending on what is relevant for the post. Ideally this data should include the whole package not just basic pay so total packages can be compared

There are a number of indicators that may suggest that there is a severe recruitment and / or retention problem within a particular Service. It is important to note that these are merely indicators; they do not mean that a post will attract a market supplement.

The indicators are as follows:-

- The post has been advertised externally on three occasions and those three attempts have resulted in failure to appoint an individual to the post.
- Information concerning turnover within a post or a group of posts within the Council.
- Information concerning the external labour market, e.g. awareness of the failure of universities to recruit students to particular courses.
- Information gained through the medium of exit questionnaires or interviews
- Any other significant retention issues.

**Managers should explore alternative recruitment solutions when a post is advertised for the second and third time; managers must not advertise the post three times without reviewing the documentation and methods used. At the same time, a manager does not have to advertise a post on three separate occasions if there is substantial evidence from other sources of information that there may be a case of paying a market supplement.**

## **6. Funding**

The payment of market supplements will be funded by the division in which the post lies. If the post is cross-divisional then the cost will be shared by those divisions concerned.

## **7. Payment of market supplements**

Payment will be calculated by the Assistant Chief Executive (People Management and Performance) or nominated representative in conjunction with the Job Evaluation Team. The payment will be based on the median salary for the equivalent roles, taken from an independent external salary survey.

## **8. Calculation of a market supplement**

All supplements will be calculated as additional increments based on the evidence supplied and will be the nearest increment below the comparator salary. The payment should be set at a level that is considered will alleviate the

recruitment and retention / operational difficulties but which is not excessive and can be justified in terms of salary paid to the comparator jobs in the market.

The purpose, justification and extent of any market supplement must be transparent and records maintained to demonstrate this so that the Council can respond effectively to any challenge regarding the rationale for such a payment.

Market supplements will be identified as a separate item on payslips and do not form part of the basic pay for the post. They will be subject to tax, NI and pension contributions in the normal way.

Market supplements will be taken into account for overtime calculations and any other enhancements / allowances.

## **9. Duration and Review of payments**

The duration of the payment will be determined at the outset based upon how long the recruitment difficulties are likely to continue and will be confirmed in writing to the employee. The initial supplement payment period will be for a maximum of 12 months.

The market supplement will be reviewed at least every 12 months or earlier if necessary. If the departmental manager believes the market supplement needs to continue they will need to provide a new business case, containing up to date information, at each review. This business case will be considered by the Assistant Chief Executive (PMP) or nominated representative along with any other relevant information.

Where the business case to support the continued payment is no longer relevant and sustainable the supplement shall be withdrawn and contractual notice given to the postholder(s) in writing.

Where the decision to withdraw a market supplement is made, this will apply to all posts within the same job group (e.g. all Social Workers within Children's Services) and their postholders simultaneously.

There are a number of situations which may trigger a withdrawal of market supplement payment and these include:-

- Job group no longer has any vacancies
- Posts can be filled after first advertisement
- Turnover has reduced to an acceptable level
- Market research shows there is no longer any justification for the payment

This list is not exclusive.

## **10. Management of the scheme**

The scheme and all payments made under it will be monitored and reviewed annually and the outcome reported to the Assistant Chief Executive (PMP) or their nominated representative and the relevant departmental director(s).

Vacancies should be advertised in the usual way, denoting the grade and salary for the post. The market supplement should be quoted as a separate figure, as follows:-

**Salary £XX,XXX to £XX,XXX (plus additional market supplement up to a maximum of £xxx where appropriate).**

### **11. Interpretation**

Any matters of interpretation arising from the scheme are to be determined by the Assistant Chief Executive (People Management and Performance).

### **12. Ensuring equality of treatment**

This scheme must be applied consistently to all employees irrespective of race, colour, nationality (including citizenship), ethnic or national origins, language, disability, religion, belief or non-belief, age, gender, gender reassignment, sexual orientation, parental, marital or civil partnership status, pregnancy or maternity.

*If you require this information in alternative format (for example large print), please contact People Management on*

*Ext: 6184 or email: [PMBusinessSupportUnit@carmarthenshire.gov.uk](mailto:PMBusinessSupportUnit@carmarthenshire.gov.uk)*

The Authority is required to publish its policy in respect of the Discretionary Compensatory Regulations under the Local Government Pension Scheme (LGPS). These discretions are subject to change, either in line with any change in regulations or by due consideration by the Authority. These provisions do not confer any contractual rights.

### **LGPS Regulations 2013**

- The Authority has used its discretion not to contribute to a shared cost APC scheme **(Regulation 16 (2)(e) and 16 (4)(d))**.
- The Authority will consider whether all or some benefits can be paid if an employee reduces his/her hours or grade (flexible retirement). Each application will be considered on its own merits following full consideration of all financial and service delivery implications. The Authority may waive the resulting actuarial reduction on benefits paid on flexible retirement, in whole or in part, providing that appropriate supporting evidence is presented **(Regulation 30 – 6 -8)**.
- The Authority may waive, in whole or in part, the actuarial reduction on benefits which a member draws before normal pension age (early retirement), providing appropriate supporting evidence is presented and full consideration of all financial and service delivery implications **(Regulation 30 – 8)**
- The Authority has used its discretion not to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency **(Regulation 31)**

### **LGPS (Transitional Provisions, Savings and Amendment) Regulation 2014**

- The Authority will consider all requests to “switch on” the 85 year rule for a member drawing benefits on or after age 55 and before age 60, providing that appropriate supporting evidence is presented and full consideration of all financial and service delivery implications **(Schedule 2, para. 1(2) and 2(2))**
- The Authority may waive, on compassionate grounds, the resulting actuarial reduction applied to benefits from pre 1 April 2014 membership, providing that appropriate supporting evidence is presented and full consideration of all financial and service delivery implications **(Schedule 2, para. 2(3))**

### **LGPS (Early Termination of Employment) (Discretionary Compensation) Regulations 2006**

- The Authority will base the redundancy pay at actual weeks pay where this exceeds the statutory weeks pay limit (Regulation 5).
- The calculation for redundancy pay will be based on the statutory redundancy weeks pay x 1.5. e.g. under the statutory redundancy table the maximum redundancy weeks calculation is 30 weeks, the Authority will pay up to a maximum of 45 weeks. Where an individual has reached aged 55 they will also receive release of unreduced pension benefits built up to the date of termination (Regulation 6).
- For efficiency of service retirements where an individual has reached aged 55 they will receive release of unreduced pension benefits built up to the date of termination (Regulation 6).
- Where there is a mutual agreement for the release of an individual under the Authority's Severance Scheme the Authority will use its discretion to give compensation payments based on actual salary. The discretionary payments will be based on age and service, with a multiplier to be applied of 1.5, and limited to a maximum of 45 weeks. Where an individual has reached aged 55 they will also receive release of unreduced pension benefits built up to the date of termination.
- 2 years continuous qualifying service is required to access these Compensation Arrangements.

### **LGPS (Benefits, Membership and Contributions) Regulations 2007**

- Each request for early payment of deferred benefits on or after age 55 and before age 60 will be considered on its own merits following full consideration of all financial and service delivery issues. The Authority may waive the resulting actuarial reduction on compassionate grounds applied to deferred benefits paid early, providing that appropriate supporting evidence is presented. **(Regulation 30 - 2 and 5)**.
- The Authority has used its discretion not to augment membership for a member leaving on the grounds of redundancy or business efficiency on or before 31st March 2014 **(Regulation 12)**.
- The Authority will consider all requests to grant an application for early payment or suspended tier 3 ill health pension on or after age 55 and before age 60, providing that appropriate supporting evidence is presented and full consideration of all financial and service delivery implications. The Authority may waive, on compassionate grounds, the actuarial reduction applied to benefits paid early, providing that appropriate supporting evidence is presented. **(Regulation 30A -3 and 5)**

### **LGPS Regulations 1997 (as amended)**

- The Authority may grant application, from a post 31.3.98 / pre 1.4.08 leaver or from a councillor, for early payment of benefits on or after age 55 and before age 60, as appropriate and in light of the circumstances relating to each case. The Authority may waive, on compassionate grounds, the actuarial reductions applied to benefits paid early for a post 31.3.98 / pre 1.4.08 leaver or a councillor leaver, as appropriate and in light of the circumstances relating to each case **(Regulation 31 – 2 and 5)**
- The Authority may grant to councillor optants out and pre 1.04.08 employee optants who continue in service, to receive a pension and lump sum from their NRD without reduction, after taking into account the circumstances relating to each case **(Regulation 31 – 7A)**

Dyfed Pension Fund Administering Authority discretions are available on [www.dyfedpensionfund.org.uk](http://www.dyfedpensionfund.org.uk). The full list of discretionary policies for Carmarthenshire County Council can also be found on this site.

***If you require this information in any other format please contact your HR team on 01267 246141.***

## SEVERANCE SCHEME 2015-18

### General Principles

1. Carmarthenshire County Council (CCC) is committed to working with employees and Trade Unions to minimise the impact of budget reductions on its services and workforce. However, over the coming years Local Government faces a difficult economic future which could result in significant budget reduction. This will inevitably affect the way we provide services and the employees who provide those services. The Severance Scheme provides financial support to employees who leave their employment early due to efficiency.

### Scope

2. This scheme applies to employees of Carmarthenshire County Council who have a minimum of 2 years qualifying service, excluding staff employed by locally managed schools where the governing body will determine the policy.
3. In line with the business case approval process, any employee subject to disciplinary or capability (health or performance) triggers or procedures will be precluded from the Severance Scheme, until it can be demonstrated that due process has been followed. Managers are advised to speak to a HR Advisor prior to agreeing any provisional support for an application for release under the Severance Scheme.

### The Scheme

4. The scheme will follow the principles of the Discretionary Compensatory Regulations. The Council's Policy in respect of the Discretionary Policy Regulations are subject to change, either in line with any change in regulations or by due consideration by the Authority. These provisions do not confer any contractual rights.

5. Severance payments will be made in accordance with the attached table – see Appendix 2 and will be paid through the first available payroll after the termination date.
6. Release of pension benefits will be considered for those LGPS members aged 55 or over up until 31<sup>st</sup> March 2018.
7. Voluntary severance ends the employment contract through mutual consent on an agreed date, which must take place before 1<sup>st</sup> April 2018.

## **Process**

8. The criteria for eligibility will be as follows – each department will need to critically review the expression of interest to determine how many requests can be supported and whether business cases can be made to release these staff on an operationally and financially viable basis.
9. There is no right to these severance arrangements. The decision made by the Authority will be final therefore there is no appeals process within this scheme.
10. If you are interested in exploring the possibility of voluntary severance, please complete the enclosed expression of interest and discuss your request with your line manager.
11. Please do not contact the Pensions Section to request an estimate of your benefits, this will only be provided if the attached expression of interest form is completed and returned to your Head of Service.
12. However, some useful guidance and information can be found on the Dyfed Pension Scheme Website including an online calculator:  
<https://mypensiononline.dyfedpensionfund.org.uk/altairMSSWeb/login>
13. Following receipt of all expressions of interest your Head of Service will consider each case and determine which are viable for fuller consideration. Once this exercise has been completed you will be contacted to offer you the opportunity to explore your request in more detail and to explain the implications.



14. Staff will not be committed to any expressions of interest until required to sign an acceptance form and Settlement Agreement, as appropriate, which confirm termination of employment on a date no later than 31<sup>st</sup> March 2018. Once signed the Authority is not obliged to accept any subsequent request you may make to withdraw from the agreement.
15. Employees leaving the Council's employment on the grounds of Voluntary Severance will do so on the basis of a **mutually agreed termination date, with no notice period being applicable on either side** and with **no payment in lieu** for any outstanding holidays, time off in lieu or flexi leave.
16. Employees who voluntarily leave the Council's employment under this Scheme cannot work in any capacity, including on a casual basis, until at least 1 year has elapsed. Under no circumstances should an employee be re-appointed into the same or similar job to the one in which s/he was employed at the time of leaving. All such appointments should be made via the usual Authority's recruitment procedures.

However, in exceptional circumstances an employee may be re-employed by the Council prior to 1 year, subject to the joint agreement of the Chief Executive and Leader of the Council. In approving a re-employment the Authority will need to be satisfied that:

- the employee is not being re-employed in a role or capacity, which is broadly similar to the role from which they left voluntarily;
- the rate of pay applied to the work undertaken by the re-engaged employee should be that appropriate to the work to be done and not the grading which applied to the employee prior to the end of their current contract;
- the employment should be for a fixed term, not exceeding one year, unless there are exceptional circumstances; and
- the arrangement must provide financial / operational advantage to the Council.

17. This will be operated entirely at the Council's discretion and the decision in respect of each application would be final.

18. Further information can also be found via the HR Policies and Guidance pages on the intranet. If you are unable to access these pages, please contact your line manager.

19. Please contact your departmental HR Advisor should you require any further clarification in respect of the Scheme.

### **Ensuring Equality of Treatment**

20. This policy must be applied consistently to all employees irrespective of race, colour, nationality (including citizenship), ethnic or national origins, language, disability, religion, belief or non belief, age, sex, gender reassignment, sexual orientation, parental, marital or civil partnership status, pregnancy or maternity.

21. If you have any equality and diversity concerns in relation to the application of this policy and procedure, please contact a member of the HR Team

*If you require this information in an alternative format (for example large print), please contact PM, Extension 6184 or email [PMBusinessSupportUnit@carmarthenshire.gov.uk](mailto:PMBusinessSupportUnit@carmarthenshire.gov.uk)*

### FLEXIBLE / PHASED RETIREMENT

#### Introduction

The Authority is committed to providing more choice and flexibility to its employees who wish to make a gradual adjustment from work into retirement, or stay in work beyond Normal Pension Age (NPA), making their transition from working life to retirement an enjoyable one.

The Authority recognises that attracting and retaining a well-trained, well-motivated, flexible and mixed age workforce, with a wide range of skills and experience, is essential to the provision of quality services.

This policy sets out how managers and employees can work together to achieve flexibility for employees approaching retirement.

In keeping with legislation, the Authority has not operated a compulsory retirement age for its employees since 1 October 2011.

#### Scope

This policy applies to all employees who are active members of the Local Government Pension Scheme (LGPS) but excluding support staff and teachers employed by locally managed schools where the governing body will determine the policy and unattached teachers who are not active members of the Teachers' Pension scheme.

Unattached teachers who are active members of the Teachers' Pension scheme (TPS) should refer to the section of the scheme which applies to them.

This Policy should be read in conjunction with the Authority's Discretionary Compensation Regulations.

It should also be read in conjunction with the Authority's Redeployment Policy which offers support to employees who are 'at risk' of losing their employment.

Staff who are not members of the LGPS or TPS and who wish to be considered for reduced hours working should refer to the Authority's Flexible Working Policy.

#### Key Points

- Flexible/phased retirement is a planned approach to retirement that involves a voluntary reduction in hours and/or move to a lower graded post and at the same time allowing access to accrued pension benefits.
- There is no automatic right for employees to work on reduced hours or grade, whilst drawing pension benefits. However, all such requests will be considered in a reasonable manner.
- It is necessary to obtain the relevant approval in line with the Authority's Retirement Business Case procedure.

- Employees who have been an active member of the LGPS/TPS for at least **2 years** or have transferred previous pension rights into the scheme, can consider the possibility of **Flexible/Phased Retirement**.
- Employees may voluntarily draw their LGPS/TPS pension benefits without a reduction on attaining Normal Pension Age (NPA).
- Employees must seek the Authority's agreement to draw their pension benefits at the earliest from the age of 55 whilst continuing to work on reduced hours or in a job on a lower salary.
- Pension benefits must be drawn, at the latest one day before reaching the age of 75.
- Guidance for LGPS members on the 85 year rule is provided at **Appendix 1**
- Guidance for TPS members on phased retirement is provided at **Appendix 2**

## What is Normal Pension (NPA) Age?

The NPA for the purposes of the LGPS is the same as the State Pension Age (SPA), although there are other options to retire earlier or to continue working, within the LGPS regulations. Employees can check their state pension age by visiting the government website at: [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension)

NPA for the purposes of TPS is explained in **Appendix 2** due to changes to the scheme that will come into effect on 1<sup>st</sup> April 2015.

## What is flexible/phased retirement?

Flexible/phased retirement enables employees to access their LGPS/TPS pension (actuarial reductions may apply) and phase into retirement by:

- reducing their working hours and/or
- moving to a job on a lower salary

Alternatively, employees can request to continue to work on reduced hours or grade and decide not to access any pension benefits until NPA, when there would be no actuarial reductions.

## What are the benefits of having a flexible/phased retirement policy?

This is a change from retiring at a specified age to a much more flexible approach so that employees can plan, financially and socially, and make a gradual adjustment from work into retirement.

There are also benefits to the Council by retaining experienced staff with valuable skills and enabling better succession planning.

## Eligibility for flexible/phased retirement

Members of the LGPS/TPS<sup>2</sup> may, from the age of 55, approach their line manager regarding an application for flexible/phased retirement. It will be important for the employee to carefully consider the proposed working pattern, any financial implications, including their pension and any effects such a request will have on the Authority and consider how the request can be accommodated.

It is also the line manager's responsibility to carefully consider an application for flexible retirement and examine how the flexible retirement application and desired working pattern can be accommodated within a particular service area or function. Where the request cannot be supported the line manager should explore alternative options with the employee which may be mutually agreeable.

Where the application can be supported the line managers must present a retirement business case which must be approved in relation to both:

- reduction in hours and/or grade; and
- early payment of the pension benefits.

The business case should include details of the impact on service delivery and the benefit to the Department as well as the individual and the associated costs. The following criteria must be satisfied:

- the employee must be employed by the Authority with a permanent contract of employment; and
- For LGPS members it is recommended that there should be a reduction in hours of at least 20% or a reduction in grade. The Authority will consider all applications taking into account all financial and service delivery issues on a case by case basis.
- For TPS members please refer to **Appendix 2**.

In all cases, including where the employee requests a gradual reduction in hours over a period of time, the business case should detail the proposed reductions in hours; the dates of the reduction and the proposed final retirement date at the outset. This is to ensure succession planning.

Where flexible retirement applications and the subsequent business case demonstrate a cost to the Authority, the business case must clearly set out the cost and service benefits of agreeing the application. It is the manager's responsibility to ensure that the business case provides all the information required.

There is no trial period for flexible retirement under the LGPS and, once it has been agreed, the decision cannot be reversed, because of the direct impact

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<sup>2</sup> Non LGPS/TPS Members should refer to the Flexible Working Policy

upon the pension benefits. There can be no reversal of the decision to reduce the number of hours whilst still in the same post.

For phased retirement under TPS the reduction must be for a minimum period of 12 months.

### **Conditions of Service**

In the event of an employee reducing his/her hours in the same job, all the conditions of his/her contract of employment will be retained, pro rata part time, including recognition of continuous service for purposes of annual leave and sick pay, and for employment rights such as redundancy payments.

If the employee starts a new job, s/he will receive a new contract of employment and, provided local government service is continuous without a break, this will be recognised for purposes of annual leave and sick pay, and for employment rights, such as redundancy payments.

### **Financial implications of flexible/phased retirement**

The annual pension and lump sum retirement grant (if applicable) are paid with effect from the date of flexible/phased retirement and Additional Voluntary Contributions (AVC's) may be accessed if the employee so chooses.

Employees taking flexible retirement may contribute to the LGPS in the new or part time job and start an additional pension that will be accessed when they finally retire. It is important to note that the new local government pension record is a separate pension accrual. This means that the previous service (relating to the pension put into payment as a result of flexible retirement) will not count as accrued service in respect of the later benefits.

Employees taking phased retirement under TPS please refer to **Appendix 2**.

Employees are responsible for obtaining their own independent financial advice as the Council is not able to provide this but the following information might be helpful:

- Flexible/phased retirement will have the effect of reducing salary and partially replacing this with pension benefits. Depending on the level of salary reduction and the amount of accrued pension benefits, the overall level of income received during the period of flexible/phased retirement, or at the eventual date of retirement from the Council, might be less than that received by continuing to work in the original contract until the LGPS/TPS normal pension age or beyond
- the pension is treated as taxable income and will, therefore, be subject to income tax deductions, in the same way as salaries
- on reaching state pension age, employees might become entitled to state pension benefits over and above their LGPS/TPS pension benefits. Employees are advised to seek advice from the relevant government department

## Pension reduction & implications

The amount of pension benefits awarded under flexible/phased retirement is calculated in the same way as for voluntary early retirement (LGPS) or actuarially adjusted benefits (TPS). Pension benefits will be subject to a reduction if they are drawn before the LGPS/TPS deemed NPA.

The employee may remain in the pension scheme and accrue a second pension (LGPS) or continue to accrue additional pensionable service (TPS) based on the reduced hours/grade. These benefits will become payable without actuarial reduction at NPA, or anytime thereafter should the employee choose to remain working beyond NPA, but must be accessed at least 1 day before the member's 75<sup>th</sup> birthday. The employee will be covered for all pension benefits such as ill health retirement and death in service. They can also purchase Additional Pension Contributions or pay Additional Voluntary Contributions.

### Waiving the pension reduction

The LGPS regulations allow employers the discretion to waive the pension reduction. This will only be possible in **exceptional circumstances** in accordance with the Authority's Discretionary Policies. Managers must seek advice from the HR team before proceeding with any flexible retirement application where it is proposed that the Authority bears the cost of the pension reduction and the reasons for doing so must be set out clearly within the Business Case.

In the event that the Authority agrees to waive the pension reduction and the flexible retirement application is approved, should the employee subsequently submit his/her resignation; voluntarily increase his/her hours of work or applies for another job within the Authority prior to the agreed retirement date, the Authority reserves the right to recover from the employee the full cost of the actuarial strain incurred.

### Flexible Retirement Applications Procedure

Applications will be processed as follows:

- individuals can review current pension information via Pension online via [www.dyfedpensionfund.org.uk](http://www.dyfedpensionfund.org.uk) or [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk)
- the employee makes a formal request in writing to his/her line manager outlining the reduction in hours or grade requested and proposed dates
- the line manager arranges a mutually convenient time to discuss the application with the employee
- the line manager will confirm if the application can be supported subject to the approval of the Flexible Retirement Business Case
- the line manager will contact the HR Team to obtain pension figures for the business case and to provide actual figures for individual request

- The individual will confirm with his/her line manager if s/he wishes to proceed with the application
- the line manager completes the Flexible Retirement Business Case and submits for approval to his/her Head of Service or Director in accordance with the Retirement Business Case Guidelines

Once approved

- for reduced working hours: the line manager must confirm the variation in working hours and commencement date to the HR Support Team
- for a reduction in grade: the employee should apply for suitable vacancies in accordance with the Authority's Recruitment and Selection policy or if eligible, the Redeployment Policy where the employee is deemed 'at risk. Once successful in being offered/redeployed in an alternative post, the employee should seek confirmation of the pension benefits payable. If the employee wishes to proceed with the application final approval must be sought from the existing Head of Service who will be required to finalise the Flexible Retirement Business Case for approval in accordance with agreed procedures

Flexible/Phased Retirement is discretionary on the part of the Council and therefore there is no right of appeal where an application is not approved.

However, where an application cannot be supported the line manager should seek advice from the HR Team in advance of confirmation to the employee to ensure that the case has been reasonably considered and to explore any alternative solutions

### **Ensuring Equality of Treatment**

This policy must be applied consistently to all employees irrespective of race, colour, nationality (including citizenship), ethnic or national origins, language, disability, religion, belief or non belief, age [subject to statutory regulations], sex, gender reassignment, sexual orientation, parental, marital or civil partnership status, pregnancy or maternity.

If you have any equality and diversity concerns in relation to the application of this policy and procedure, please contact a member of the HR Team

If you require this information in an alternative format (for example large print), please contact People Management on Ext: 6184 or email [PMBusinessSupportUnit@carmarthenshire.gov.uk](mailto:PMBusinessSupportUnit@carmarthenshire.gov.uk).



## Appendix 1

### LGPS 2014 ALL Wales Pension Fund Factsheet

#### 85 year Rule

##### When can I retire?

The Normal Pension Age (NPA) under the Local Government Pension Scheme (LGPS) 2014 is linked to your State Pension Age (SPA). However, you may voluntarily retire from age 55, but your benefits will be actuarially reduced to take account of early payment before your NPA.

##### What is the 85 Year Rule?

The 85 year rule is a test to assess whether a member's benefits would be actuarially reduced, if retiring before their Normal Retirement Age. If a member's age and 'calendar length' Scheme membership (measured in whole years), when added together, equalled 85 or more, a member's benefits would NOT be actuarially reduced after the age of 60. If the rule was NOT satisfied or the employee is between 55 and 59, a full actuarial reduction was applied to a member's benefits.

##### When was the '85 Year Rule' removed?

On 1 October 2006, the 85 year rule was removed from the Regulations as it was found to be in breach of age discrimination laws. If you were an active member as at 30 September 2006, you will have been afforded protection to 31 March 2008, with additional protection awarded to certain members. **If you joined the LGPS on or after 1 October 2006, the 85 Year Rule will have NO bearing on your circumstances.**

##### Am I protected under the 85 Year Rule?

If you were an active member as at 30 September 2006 and choose to retire before your NPA, having satisfied the 85 rule, you will have some form of protection:

- If you were born on or before 31 March 1956, ALL benefits built up to 31 March 2016 will be protected in full. However, benefits accrued from 1 April 2016 to 31 March 2020 will be reduced on a 'tapered' basis, and reduced in full if accrued after 1 April 2020.
- If you were born on or between 1 April 1956 and 31 March 1960, ALL benefits built up to 31 March 2008 will be protected in full, BUT benefits accrued between 1 April 2008 and 31 March 2020 WILL be reduced on a 'tapered' basis in accordance with the shortfall from your date of leaving to age 65 (the normal retirement age under the 2008 Scheme). Any benefits built up after 1 April 2020 will be reduced in FULL in accordance with your SPA.
- If you were born on or after 1 April 1960, ALL benefits built up to 31 March 2008 will be protected in full. However, benefits built up from 1 April 2008 until your date of leaving will be subject to a full actuarial reduction. For

membership from 1 April 2008 to 31 March 2014, the reduction will fall in line with your 65th birthday, whereas your membership from 1 April 2014 will be reduced in accordance with your SPA.

### How much of an 'actuarial reduction' will apply?

Your benefits will be actuarially reduced in accordance with the following guidance, as issued by the Government Actuary's Department (GAD). The shortfall from your date of leaving to the appropriate retirement age will be measured in years and days, therefore the percentage reduction may need to be interpolated.

Years Paid Early	Pension Reduction (men) %	Pension Reduction (women) %	Lump Reduction (both) %	Sum %
0	0	0	0	
1	6	5	3	
2	11	11	6	
3	16	15	8	
4	20	20	11	
5	25	24	14	
6	29	27	16	
7	32	31	19	
8	36	34	21	
9	39	37	23	
10	42	40	26	
11	45	44	N/A	
12	48	47	N/A	
13	52	50	N/A	

### Will the '85 Year Rule' apply if I retire from age 55?

With the introduction of the LGPS 2014 from 1 April 2014, you are able to voluntarily retire from age 55 (without your Employer's consent). **However, if you do choose to voluntarily retire between age 55 to 60, any protection that you have been afforded in respect of the 85 Year Rule will NOT apply and your benefits will therefore be reduced in FULL upon your retirement.**

**Alternatively, if you choose to retire on or after age 60, any 85 Year Rule protection WILL apply.** The ability to apply the 85 Year Rule to voluntary retirement between age 55 and 60 is at the discretion of your Employer. Your Employer will have formulated a policy on this matter.

### What if I am made redundant or have to retire on the grounds of efficiency?

If you are made redundant by your Employer or if you have to retire on the grounds of efficiency provided you are **age 55 or over**, your benefits will come into payment immediately WITHOUT actuarial reduction.

### Further Information

This factsheet gives general guidance only. For further information, please contact:

Tel: **01267 224 043** Email: [pensions@carmarthenshire.gov.uk](mailto:pensions@carmarthenshire.gov.uk)

## Appendix 2

### Phased Retirement for members of the Teachers' Pensions scheme

Unattached teachers may want to continue working while drawing some of their accrued pension benefits.

Phased retirement under the TPS allows an employee to decide how much to take of the benefits s/he has accrued (up to a maximum of 75% of total benefits).

Phased retirement is a practical option, as long as some simple guidelines are followed.

#### If an unattached teacher requests phased retirement

1. The teacher's Pensionable Salary must reduce by at least 20% for a minimum of 12 months following the date of phased retirement. For example, this could be because his/her hours have reduced or he/she has taken up a post of lesser responsibility.
2. The teacher may take phased retirement and following a break in service start a new appointment in a support role in an educational establishment, such as a classroom assistant. The new appointment can be with the same or a different employer but must be within six months of the previous job ceasing.
3. The teacher may take phased retirement if s/he has a break in employment provided it is not more than six months of the previous job ceasing.
4. The application form for phased retirement must be signed by the employer responsible for the new working arrangement and must be made within three months of the teacher taking up employment.
5. The teacher can only take a maximum of two phased retirements.

However, from April 2015 changes to the Teachers' Pension scheme will affect some teachers interested in taking phased retirement. It is strongly advised to consult the Teachers' Pensions website for up to date information prior to making a request.

#### Normal Pension Age (NPA) for TPS?

The NPA for the purposes of the TPS depends when you joined the scheme. If you've only been a member of the TPS Scheme since 1 January 2007 you will have a Normal Pension Age (NPA) of 65.

However, if you were a member of the Teachers' Pension Scheme before 1 January 2007 then your normal pension age will be 60 – provided you haven't had a break in service of more than five years.

If you had a break of more than five years, your NPA remains at 60 for service up to the end of the break in service, but it will be 65 for any future service. In pension terms you'll be classed as a 'member with mixed service'.

Please note changes to NPA effective from 1<sup>st</sup> April 2015: There is no change to members' final salary normal pension age from 1 April 2015. With effect from 1 April 2015 members' career average normal pension age will be equal the state pension age (SPA) or 65 where that is higher. Employees can check their state pension age by visiting the government website at: [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension). For the latest information please visit [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk)