

**Agenda Item No:** 6  
**Report To:** Cabinet  
**Date:** 14 April 2016  
**Report Title:** **Pay Policy Statement- Annual Review**  
**Report Author:** Ian Smith- Personnel Officer  
**Leader of the Council** Gerry Clarkson  
**Port folio holder** Jane Martin – Information and Communications

**Summary:** There is a statutory requirement (as part of the Localism Act 2011) to produce and publish an annual Pay Policy Statement.

The Council recognises the importance and benefits of applying a transparent policy that ensures their staff are and remunerated appropriately, equitably and legally.

This report makes recommendations for:

1. The annual review of the Ashford Living Wage Allowance (ALWA).
2. The annual review of the Ashford Apprentice Wage Allowance (AAWA)
3. The publication of an updated pay policy statement inclusive of these recommendations.

**Key Decision:** Yes

**Affected Wards:** None

**Recommendations:** Cabinet be asked to:

- i. **Agree the amendment to the application of the ALWA to take account of the new statutory National Living Wage Rate to be implemented from 1 April 2016, and that the pay rate of our lowest paid employees is maintained at the rate of £8.00 per hour for 2016/17.**
- ii. **Recommend that the Pay Policy Statement (as attached) to be submitted to the Council for approval.**

- iii. **Agree that the AAWA is paid at the rate of 15p per hour above the National Minimum Wage (NMW) rate applicable to the age of the apprentice for 2016/17.**
- iv. **Agree that the AAWA rate is paid at 15p per hour above the statutory National Living Wage Rate for apprentices over the age of 25 for 2016/17.**
- v. **Note the forthcoming Government legislation that will impact on the council's Pay Policy Statement.**

**Policy Overviews:**

- Sections 38 to 43 of the Localism Act 2011 requires local government bodies to prepare a pay policy statement. These statements must articulate an authority's own policies towards a range of issues relating to the pay of its workforce, particularly senior staff and its lowest paid employees.
- The ALWA demonstrates the Council's commitment in ensuring that wages (salaries) of our employees can sustain families and individuals and underpins a thriving economy.
- The AAWA underpins the council's commitment to support lower paid members of staff by providing a fair wage to our apprentices. The council is committed to making apprenticeships accessible to all and encourages its local people to gain worthwhile careers by paying a rate which is comparable with entering any other form of employment; this in turn will benefit the local economy.

**Financial Implications:**

- The full year cost of maintaining the current ALWA rate is approximately £4,000 (including on costs).
- The full year cost of paying the current ALWA of 15 pence per hour more than the applicable NMW and the statutory National Living Wage Rate for our apprentices (7) is estimated to be £20,000 (including on costs).
- Whilst there is no specific provision identified within the 2016/17 budget the costs are relatively small and consequently any costs will be managed within the existing approved budget levels for the services and departments bearing the costs.

**Risk Assessment:** Yes

**Community Impact Assessment:** Yes

**Other Material Implications:** As stated in the body of this report.

**Background Papers:** None

**Contacts:** [ian.smith@ashford.gov.uk](mailto:ian.smith@ashford.gov.uk) – Tel: (01233) 330411

## **Report Title: Pay Policy Statement- Annual Review**

### **Purpose of the Report**

1. To provide Members with an updated pay policy statement for approval in line with the requirements of the Localism Act 2011 and which applies the provisions of the CLG's supplementary guidance on 'Openness and Accountability in Local Pay' 2013
2. To recommend to Members an amendment to the application of the ALWA that takes account of the impact of the new statutory National Living Wage Rate as well as continuing with its commitment to provide our lowest paid workers with a sustainable wage that supports themselves and their families.
3. To recommend to Members an amendment to the application of the AAWA that takes account of the impact of the new statutory National Living Wage Rate as well as continuing with its commitment to making apprenticeships accessible to all.
4. To provide Members with an overview of forthcoming government legislation that will impact the Council's Pay Policy Statement and Statement on Termination of Employment (Discretionary Compensation) Regulations 2006.

### **Issue to be decided**

5. Members are asked to approve the pay policy statement as attached.
6. Members are asked to approve the recommendation to maintain the current ALWA to provide our lowest paid employees with a minimum pay rate of £8 per hour for 2016/17
7. Members are asked to approve the recommendation to maintain the current AAWA payment of 15 pence per hour more than the NMW rates appropriate to the age of the apprentice for 2016/17.
8. Members to agree that the AAWA rate is paid at 15p per hour above the statutory National Living Wage Rate for apprentices over the age of 25 for 2016/17.

## Background

9. The pay policy statement must be reviewed and approved each year by Full Council.
10. Sections 38 to 43 of the Localism Act 2011 (“the Act”) require local government bodies to prepare a pay policy statement. These statements must articulate an authority’s own policies towards a range of issues relating to the pay of its workforce, particularly senior staff and its lowest paid employees.
11. There are a number of statutory requirements relating to pay accountability in the Localism Act that need to be taken into account as well as a catch-all within the Act that states that members must have regard to any guidance issued or approved by the Secretary of State.
12. The statement encompasses both the statutory requirements as well as the ‘broader’ elements of guidance.
13. The Act requires the council to prepare a pay policy statement for this year and it must set out the authority’s policies relating to:
  - (a) the remuneration of its chief officers,
  - (b) the remuneration of its lowest-paid employees, and
  - (c) the relationship between:
    - (i) the remuneration of its chief officers, and
    - (ii) the remuneration of its employees who are not chief officers.

The statement must include:

- (a) the definition of “lowest-paid employees” adopted by the authority for the purposes of the statement, and
- (b) the authority’s reasons for adopting that definition.

The statement must also include the authority’s policies relating to:

- (a) the level and elements of remuneration for each chief officer,
- (b) remuneration of chief officers on recruitment,
- (c) increases and additions to remuneration for each chief officer,
- (d) the use of performance related pay for chief officers,
- (e) the use of bonuses for chief officers,
- (f) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
- (g) the publication of and access to information relating to remuneration of chief officers.

14. Pay policy statements may be amended during the course of a financial year to reflect changes or developments in an authority's pay policy. However, section 39(5) of the Act requires that amendments can only be made by resolution of the full Council, or a meeting of members, and that any amended statement must be published as soon as is reasonably practicable.

### **ABC Pay Policy Statement: 2016/17**

15. The statement (attached) reflects our current approach to pay and reward and incorporate the recommendations made in this report

### **Ashford Living Wage Allowance (ALWA) 2016/17**

16. The Council is committed to ensure that the wages (salaries) of our employees can sustain families and individuals as well as underpinning a thriving local economy.
17. This commitment is provided through the ALWA implemented in 2013. As part of the Pay Policy recommendations Members review the ALWA on an annual basis. The rate set for each financial year has taken account of the National Living Wage Foundation's Out of London rate (LWF) in the previous November and the council's budgetary position.
18. It is the Council's stated commitment for the ALWA "to be better" than the LWF rate. This statement is incorporated within the council's current Pay Policy Statement.
19. Since its introduction the ALWA rate has been set at 15p per hour higher than that of the LWF rate. The current minimum pay rate for ABC employees is set at £8.00 per hour. This followed the LWF rate of £7.85 set in November 2014.
20. In the Summer Budget 2015 the Chancellor announced a new extension to the current National Minimum Wage by introducing a statutory National Living Wage of £7.20 for over 25s with effect from 1 April 2016 Employees under the age of 25 and , who are not in the first year of an apprenticeship will receive the National Minimum Wage Rate applicable to their age.
21. This is set to reach £9 an hour by 2020. The target was also described as reaching 60% of median earnings by 2020. This could imply an even higher level; £9.35 an hour according to The Office for Budget Responsibility.
22. The statutory National Living Wage Rate is separate to the rate set by annually by the Living Wage Foundation which is calculated by the Centre for Research in Social Policy at Loughborough University. This takes account of rises in living costs and any changes in what is defined as a 'minimum'. Adoption of the LWF rate is optional for employers.

23. The current LWF rate for outer London is £8.25 per hour. Looking further forward, the Foundation has set a target for the rate to be £10.10 per hour by 2020.
24. Currently there are 13 staff entitled to receive the ALWA. The estimated cost of maintaining the current ALWA rate for 2016/17 is £4000 (including on costs).
25. The impact of continuing with the previous approach of setting the ALWA rate at 15p per hour higher than that of the current LWF rate i.e. £8.40 per hour will result in increased salary costs for 2016/17 of £9,700 (including on costs).
26. Allowing for the ALWA rate to be set at the current LWF rate of £8.25 per hour would result in an estimated increase in salary costs for 2016/17 of £7,300 (including on costs).
27. As the result of the ALWA continuing to track the LWF rate there will likely to be considerable increases in staffing costs over the coming years; particularly at a time when the council's budgetary provision will continue to be under increased pressure. This will also likely to have an impact on the council's pay framework being compromised due the erosion of pay differentials.
28. For the reasons set out above, it is recommended to continue with the current ALWA which provides the lowest hourly pay rate of £8 for 2016/17. This rate continues to achieve the council's commitment, avoids the incurrence of additional salary costs and puts the council in an advanced position in being able to accommodate the forthcoming annual increases to the statutory National Living Wage Rate leading-up to 2020.
29. Consequently, it will no longer be appropriate for the Pay Policy to include the stated commitment that the ALWA will "be better" than the LWF out of London rate.
30. By applying the ALWA the council has been widely recognised as a responsible and considerate employer who has been at the vanguard with other organisations who voluntarily provide a fair and sustainable wage to their lowest paid staff. It is therefore important for the council to be able to continue to make such a strong statement of commitment in this regard.
31. In order to continue with this commitment, it is recommended that this can be ably demonstrated by amending the Pay Policy Statement to introduce the following statement:

*The council will aim to provide our lowest paid staff, irrespective of their age, with a rate of pay that is better than the Statutory National Living Wage rate.*

32. For ease of reference the following table details the pay rates referred to as above :

<b>Wage Rate</b>	<b>Current hourly pay rate</b>
Ashford Living Wage	£8.00
Living Wage Foundation – out of London Rate	£8.25
Statutory National Living Wage rate for over 25's	£7.20
National Minimum Wage Rate for ages 21 and over	£6.70
National Minimum Wage Rate for ages 18-20	£5.30
National Minimum Wage Rate for under 18s	£3.87

### **Ashford Apprentice Wage Allowance (AAWA)**

33. Apprentices are engaged to gain practical training in a job combined with study. The status of their employment is reflected by the fact that the National Minimum Wage (NMW) and the statutory Living Wage Rate is not applicable to them in the first year of their apprenticeship.
34. The current National Wage Rate for apprentices aged 16 to 18 and those aged 19 or over who are in their first year is £3.30 per hour. All other apprentices are entitled to the National Minimum and Statutory Living Wage rates as applicable to their age.
35. The AAWA aims to provide our apprentices with a pay rate that is “better” than the National Minimum Wage (NMW) applicable to the age of the apprentice and irrespective of whether the apprentice is in their first year.
36. Consistent with the approach to be taken with the ALWA rate it is recommended that the current AAWA rate, i.e.15 pence per hour above the respective NMW age rates, is maintained for 2016/17. The same rate will apply to the statutory National Living Wage Rate applicable to apprentices over the age of 25.
37. It is difficult to provide an accurate estimation of costs given the likelihood that more apprentices will be employed throughout the year. However, based on the 7 apprentices (None of which will be over the age of 25 as at April 2016) currently employed by the council the estimated full year cost of paying the above is £20,000 (including on costs).



38. As a consequence of the implementation of the Statutory National Living Wage rate it is necessary to amend the Pay Policy Statement to reflect this in the stated commitment for the AAWA by introducing the following statement:

*The council is committed to making apprenticeships accessible to all by paying a rate applicable to the apprentice's age that aims to be better than the respective Statutory National Living Wage and National Minimum Wage rates.*

## **Forthcoming Government Legislation**

### **Public Sector Exit Payments Cap**

39. Earlier this year the government announced that it intended to end six figure exit payments for public sector workers. Further to this announcement, the government consulted on proposals to cap the total amount of redundancy and other exit payments that can be made to individuals leaving the public sector.
40. The core elements of the proposals are:
- Apply a £95,000 (before tax) cap on the total value of exit payments made to employees in the public sector
  - Apply the cap to all forms of exit payment, including cash lump sums, early access to an unreduced pension, payments in lieu of notice and non-financial and other benefits
  - Apply the cap to all types of arrangements for determining exit payments
  - Establish a waiver process for exceptional circumstances
  - Apply the policy to all public sector bodies, with a small number of bodies granted an exemption from the policy.
41. The Government will take forward these proposals by taking powers in primary legislation as part of the Enterprise Bill. The detail of the measure will be implemented through secondary legislation; this is anticipated to be approved by Parliament in summer/autumn 2016.

### **Exit Payments Recovery**

42. The Government have issued draft regulations concerning the recovery of Exit Payments made to those employees with the public sector and returning to the same within a period of 12 months. The 'minimum salary' to which the recovery provisions will apply will be £80,000 per annum from day one after the employees' termination.
43. Payments to provide unreduced pensions for early retirement under the LGPS will be considered as an exit payment and be subject to recovery.

44. It is the Government's intention for the regulations to take effect from April 2016.
45. As the Pay Policy Statement will be produced and publicised in advance of the implementation of these regulations, it is recommended that account is taken of this by introducing the following statement:

*The council will comply with obligations under the Exit Payment Recovery Regulations'*

**Review of the calculation of the tax free element of severance payments**

46. Alongside a cap on exit payments the Government proposes reforms to the actual calculation of compensation terms.
47. This is an area that has been under review for some time. It was expected that the amount of severance payment that could be granted tax-free could improve from its £30,000 level, as it has been set at that rate for many years. However, the consultation puts forward the idea that the tax-free element could in fact be reduced. It also indicates an intention to remove the current distinction between contractual and non contractual payments in terms of tax treatment so that in principle all payments would be eligible for income tax and national insurance contributions (subject to the new rules on exemption amounts).
48. The Government has confirmed that more information on any changes to the taxation of termination payments will be published later this year.

## **Consultation**

49. UNISON representatives have indicated that they are supportive of the proposals for the ALWA and AAWA.
50. This report together with the proposed pay policy statement was considered at the Joint Consultative Committee on 3 March 2016.

## **Comments of the Leader and the Portfolio Holder**

51. Comment of Gerry Clarkson, Leader of the Council: "I concur with the proposals being advanced."
52. Comment of Cllr Jane Martin, portfolio holder for Information and Communication: "I support the Council's commitment to leading the way in implementing the NLW recommendations and to ensuring that the lowest paid staff and apprentices in our workforce benefit from National living wage rates."

## **Risk Assessment**

53. It is a requirement under the Localism Act that we publish a pay policy statement. We could rely on producing the statutory minimum information. However, this may result in misinterpretation of the pay policy statement which could be damaging to the council's reputation and prompt requests for information under the Freedom of Information Act.

## **Community Impact Assessment**

54. The application of the Pay Policy will not result in any detrimental impact on any particular group of staff.
55. The ALWA benefits the lowest paid groups of staff within the council who have historically been, and still are, predominantly part-time female staff in manual cleaning jobs.
56. The Council's Pay Policy ensures that our staff are remunerated appropriately, equitably and legally.

## **Handling**

57. Following Council approval, the Pay Policy Statement 2016/17 will be published on the transparency section of Ashford Borough Council's website.
58. Written notification will be provided to those staff who are entitled to receive the ALWA and the AAWA to inform them of the respective rates that will be payable to them for 2016/17.
59. When the implications of the forthcoming government legislation become clearer it will be necessary to review and update the Pay Policy Statement.
60. Any subsequent changes to the Pay Policy Statement agreed at by Council in March 2016 will require resolution of the full Council and must be published as soon as is reasonably practicable to do so.

## **Conclusions**

61. The pay policy statement reflects our current approach to pay and satisfies the requirements of the Localism Act.
62. The Ashford Living Wage Allowance endorses the council's commitment to its lowest paid staff by applying an hourly rate which aims "to be better" than the statutory National Living Wage irrespective of individual's age.

63. The Ashford Apprentice Wage Allowance provides a very positive statement that the council is committed to making apprenticeships accessible to all and encourages its local people to gain worthwhile careers by paying a rate which is comparable with entering any other form of employment; which in turn will benefit the local economy.
64. The government has recognised that for pay to be able to sustain families the National Minimum Wage is no longer appropriate. The introduction of the statutory Living Wage now provides a statutory 'benchmark' which to set the ALWA against.
65. There is a raft of forthcoming government legislation that will have a significant impact on public sector employees' entitlements to severance (redundancy) payments. We will continue to abreast on these developments and as things become clearer Members, Management Team and UNISON will be provided with options and recommendations to ensure that the council's Pay Policy Statement and the council's policy for Local Government (Early Termination of Employment ) (Discretionary Compensation Regulations ) are compliant with pay legislation.

**Contact:** Ian Smith Tel: 01233 330411

**Email:** [ian.smith@ashford.gov.uk](mailto:ian.smith@ashford.gov.uk)

# Ashford Borough Council

## Pay Policy Statement

### Financial Year 2016/17

#### Introduction

ABC is a large and diverse organisation providing a range of statutory and other services to a local community with a population of 123,000. It is responsible for managing a combined annual capital and revenue spend of £113 million.

To ensure the council is effectively led and efficiently managed, it must be able to attract and retain a range of high calibre staff in a competitive job market. The value and composition of the remuneration package offered to senior staff is a key factor in enabling the council to attract, recruit, motivate and retain staff with the skills sets required to deliver the Council's objectives and aspirations, which in turn have a significant impact on the lives of local residents.

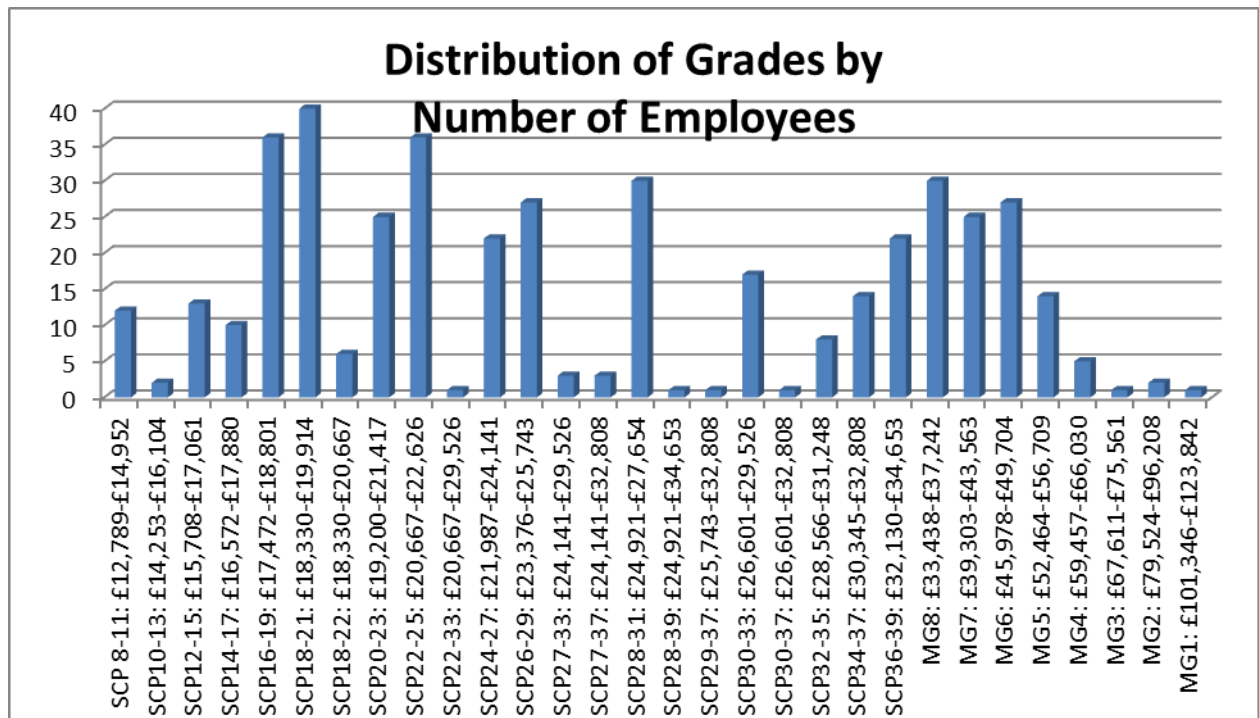
Notwithstanding the statutory requirement to produce and publish this policy, the Council recognises the importance and benefits of applying a transparent policy to ensure that its staff are remunerated appropriately, equitably and legally.

#### Pay Policy

- 1 This policy statement is made in accordance with Section 38 (1) of the Localism Act 2011. The Act requires the authority to set out its policies for the financial year relating to:
  - (a) the remuneration of its chief officers,
  - (b) the remuneration of its lowest-paid employees and
  - (c) the relationship between:
    - i. the remuneration of its chief officers, and
    - ii. the remuneration of its employees who are not chief officers.
  
- 2 **Definitions:**
  - (a) The Definition of '**Chief Officer**' in the Localism Act reflects that in the Local Government and Housing Act 1989 and so is wide enough to include not only the Head of Paid Service, Monitoring Officer and other statutory and non-statutory Chief Officers but also those senior officers who report directly to them. It is not considered necessary to extend the scope of this definition due to any particular local circumstance or reward structure.
  
  - (b) A '**Lowest paid employee**' is an employee who is paid on the lowest pay grade used by the council. The definition does not include postholders engaged in apprenticeships, work placements and posts created through 'job creation schemes' e.g. the Future Jobs Fund as often the pay levels are recommended as part of the scheme and are not determined by the council's usual process.
  
- 3 The policy statement will be reviewed and approved annually by Members and published on the transparency section of the Ashford Borough Council website together with the pay data published in line with the code of recommended practice on data transparency. Data on pay for individuals employed under a 'contract for services' (opposed to contract of employment) can be found under the data on spend.

- 4 The council's pay framework has been in place for many years and the grade for each role is determined by a job evaluation scheme developed by Inbucon Pay Consultants.
- 5 The basic grade of all officers is determined by job evaluation process. Pay and all other elements of the remuneration package for the Chief Executive (Head of Paid Service) , Director or Head of Service posts are approved by Members as part of the recruitment process and other formal approval process such as restructuring reports. The remuneration packages for all other roles are approved by senior managers.
- 6 The incremental progression for all roles, including Chief Officer roles, are automatic unless there are formal concerns over capability.
- 7 Cost of living pay awards are considered on an annual basis and take account of market forces, economic climate measures of inflation and budgetary position. The council is not subject to national pay bargaining. Pay awards are negotiated locally with UNISON and subject to approval by Members. Typically any percentage increase (which can be 0%) is applied equally to all grades.
- 8 The council is committed to ensuring that the pay of its employees can sustain families and individuals and underpin a thriving economy. To support this commitment it is the Council's aim to provide its lowest paid employees (excluding apprentices and those employed through job creation schemes (see para 2c) to receive a wage rate which is better than the Statutory National Living Wage rate irrespective of the age of the employee. As a consequence, the lowest paid employees receive the Ashford Living Wage Allowance (ALWA) as a supplement to the employee's hourly pay rate to provide a minimum rate of £8 per hour. The Council reviews the application of the ALWA on an annual basis.
- 9 Apprentices are engaged to gain practical training in a job combined with study. The council is committed to making apprenticeships accessible to all and aims to pay a rate by paying a rate applicable to the apprentice's age that aims to be better than the respective Statutory National Living Wage and National Minimum Wage rates; the Ashford Apprentice Wage Allowance ( AAWA) is currently set at 15p per hour higher than these rates. The AAWA is reviewed annually and applied to those employed by the Council on an apprenticeship.
- 10 Grades MG1 and MG2 have two additional discretionary incremental points can be applied for recognition of performance, or as part of a retention package. These points are not automatically applied to all MG1 or MG2 roles, but if they are, they require confirmation from the officer's manager that there has been exceptional performance and the increment should be awarded.
- 11 For 2016/17 the Corporate Director (Governance and Law) will act as District Returning Officer for elections in addition to his role. He receives election fees in addition to his salary are payable. These fees are set by the Cabinet Office for national elections and referendums; or for borough and county elections through a countywide arrangement. The fees vary according to the election taking place. Any election fees paid during the year are included in the salary figure published in the council's annual statement of accounts.

- 12 We are required to publish pay related information. This includes the Code of Recommended Practice for Local Authorities on Data Transparency requirements to publish a Pay Multiple and information on senior salaries. The Pay Multiple is the ratio between the highest paid salary and the median average salary of the whole authority's salaries.
- 13 The current ratio between the highest paid employee and the mean average earnings across the organisation is **4.3:1** based on ABC determined pay and benefits (excluding Returning Officer fees as these are determined by the Cabinet Office, or though a countywide arrangement). The fees are only paid in the event of an election. The council intends to maintain a pay multiple of 5 or less (i.e. the highest paid employee is paid no more than 5 times the average salary which is £29,055).
- 14 Ashford pay grades are determined through job evaluation and reflect the breadth of impact the role has for example: the level and complexity of advice given by the postholder as well as the decisions made; the qualifications required to carry out the role, the level of autonomy the postholder has as well as the level of internal and external contacts routinely made by the post-holder.
- 15 The ratio of **4.3:1** is explained by the types of roles we have in the organisation. For example we have very few 'manual' or 'unskilled' workers as most services of this nature are outsourced to contractors, we have streamlined many administrative processes which have reduced the requirement for low level routine clerical type work and the majority of our workforce have roles that are transactional or are professional and technical roles. The chart below shows the current dispersal of grades amongst the council's employees:



- 16 Salary information for senior staff is published annually on the transparency section of the council's website and total remuneration packages for Chief Officers are published in the council's annual statement of accounts also available on the council's website.

- 17 The Chief Executive and Deputy Chief Executive receive an annual mileage allowance to compensate for up to 3,000 work related miles travelled within Kent and are not allowed to submit mileage claims for the first 3,000 miles travelled in Kent.
- 18 For 2016/17 the Head of Finance receives a special responsibility allowance equivalent to Grade MG3 for undertaking the responsibilities of the Section 151 Officer.
- 19 Posts may attract a subsidised lease car or cash alternative. Entitlement is usually determined as part of the recruitment process and the entitlement is intended to assist the officer in carrying out their duties or, in some cases, as a recruitment tool.
- 20 All officers are entitled to be reimbursed for legitimate expenses incurred in the course of their duties. Limits are laid out in the conditions of service and all expense claims must be accompanied by receipts.
- 21 The council does not have a performance related pay scheme or a bonus scheme. Managers do have the ability to make honorarium payments to any level officer in the following circumstances:
- Covering the full/partial duties of a more senior post (other than for annual leave)
  - Taking on additional duties/responsibilities for a limited period
  - Taking on additional responsibilities e.g. project work which would not normally fall within the employee's job description
  - Taking on additional workload, which is not at an additional level of responsibility but which warrants financial recognition
  - One-off merit payments in recognition of exceptional performance.

Where the request for the payment falls outside of the above criteria the Head of Personnel and Development will take the request to Corporate Management Team for discussion.

- 22 The council does have a market supplement scheme to address market pressures that cause recruitment and retention difficulties. Market supplements are applied in exceptional circumstances and any proposed payments for a Management Team post must be approved by Members. For all other roles Management Team is able to give approval.
- 23 If a Chief Officer, or any other officer, chooses to end their employment with the authority there are no termination benefits payable.
- 24 If the council terminates an officer's employment then the council's policy on the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 may apply.
- 25 The Council will comply with obligations under the Exit Payment Recovery Regulations.
- 26 Officers may also be entitled to release of their local government pension if they satisfy the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007.



- 27 Employees who are Local Government Pension Scheme members aged 55 or over are entitled to request flexible retirement in accordance with the council's Flexible Retirement policy. This allows an officer to access their local government pension and continue working in a role at either reduced hours or in a lower paid role to help their transition into retirement. Member approval is required where there is a cost associated with the release of the pension. There must be a benefit to the council in agreeing to a flexible retirement request, the benefits may include: assisting with succession planning, delivering savings etc.
- 28 In exceptional circumstances we may find ourselves in the situation whereby an officer who has been previously employed by the council (or another authority) and who, on ceasing to be employed, was in receipt of a redundancy payment and/or a local government pension is subsequently reemployed by the council. It is not the policy of Kent County Council (the pension scheme administrators) to abate pensions in payment in these circumstances.
- 29 In cases where the council shares staff with other authorities/agencies this often results in different pay scales, terms and conditions between the two parties. The council will ensure that for staff employed by Ashford Borough Council that there is internal comparability. This may result in discrepancies across teams with employees working for other employers.
- 30 The council does not intervene in the pay policy of external contractors; remuneration packages are a matter for the external contractor to determine not the council.
- 31 The Council is committed to tackling all forms of tax avoidance and therefore encourages the direct employment of staff and pays them via the payroll system. When a need arises for a temporary appointment, recruitment is normally secured by using the council's employment agency contract arrangement. In a few circumstances where it is necessary to engage self employed people who can provide exceptional skills/experience, the council will offer a contract for services. Such engagements would be in accordance with HMRC guidelines to ensure that the correct employment status has been applied for PAYE purposes.
- 32 This policy is required to be reviewed at least once a year proceeding the next financial year. Proposals to adjust the policy in a financial year must be approved by Members.