



Agenda

Meeting: **Personnel Committee**
Date: **12 March 2024**
Time: **2.00 pm**
Place: **Council Chamber - Civic Centre Folkestone**

To: **All members of the Personnel Committee**

The Committee will consider the matters listed below at the date, time and place shown above. The meeting will be open to the press and public.

Members of the Committee who wish to have information on any matter arising on the agenda which is not fully covered in these papers are requested to give notice prior to the meeting to the Chairman or appropriate officer.

This meeting will be webcast live to the council's website at <https://folkestone-hythe.public-i.tv/core/portal/home>.

Please note there will be 37 seats available for members of the public, which will be reserved for those speaking or participating at the meeting. The remaining available seats will be given on a first come, first served basis.

1. **Apologies for Absence**
2. **Declarations of Interest (Pages 3 - 4)**

Members of the Council should declare any interests which fall under the following categories:

- a) disclosable pecuniary interests (DPI);
- b) other significant interests (OSI);
- c) voluntary announcements of other interests.

3. **Voluntary Redundancy (Pages 5 - 10)**

Queries about the agenda? Need a different format?

Contact Jake Hamilton – 01303 853495
Email: committee@folkestone-hythe.gov.uk or download from our
website
www.folkestone-hythe.gov.uk

This report provides an update on the voluntary redundancy scheme which took place at the end of 2023 and provides information on the redundancy and pension costs for employee 14290.

4. **Pay Policy Statement 2024/25 (Pages 11 - 42)**

This report presents an amendment to the pay policy statement for 2024/25 for approval and recommendation to council.

5. **Pay Award 2024/25**

To receive a verbal update from the Chief Officer – People & Customer Services.

Declarations of Interest

Disclosable Pecuniary Interest (DPI)

Where a Member has a new or registered DPI in a matter under consideration they must disclose that they have an interest and, unless the Monitoring Officer has agreed in advance that the DPI is a 'Sensitive Interest', explain the nature of that interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a DPI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation permitting them to do so. If during the consideration of any item a Member becomes aware that they have a DPI in the matter they should declare the interest immediately and, subject to any dispensations, withdraw from the meeting.

Other Significant Interest (OSI)

Where a Member is declaring an OSI they must also disclose the interest and explain the nature of the interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a OSI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation to do so or the meeting is one at which members of the public are permitted to speak for the purpose of making representations, answering questions or giving evidence relating to the matter. In the latter case, the Member may only participate on the same basis as a member of the public and cannot participate in any discussion of, or vote taken on, the matter and must withdraw from the meeting in accordance with the Council's procedure rules.

Voluntary Announcement of Other Interests (VAOI)

Where a Member does not have either a DPI or OSI but is of the opinion that for transparency reasons alone s/he should make an announcement in respect of a matter under consideration, they can make a VAOI. A Member declaring a VAOI may still remain at the meeting and vote on the matter under consideration.

Note to the Code:

Situations in which a Member may wish to make a VAOI include membership of outside bodies that have made representations on agenda items; where a Member knows a person involved, but does not have a close association with that person; or where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position. It should be emphasised that an effect on the financial position of a Member, relative, close associate, employer, etc OR an application made by a Member, relative, close associate, employer, etc would both probably constitute either an OSI or in some cases a DPI.

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This Report will be made public on 4 March 2024

Agenda Item 3

Folkestone
& Hythe



District Council

Report Number **P/23/07**

To: Personnel Committee
Date: 12th March 2024
Status: Non-executive Decision
Chief Executive: Dr Susan Priest
Chief Officer: Andrina Smith

SUBJECT: VOLUNTARY REDUNDANCY

SUMMARY: This report provides an update on the voluntary redundancy scheme which took place at the end of 2023 and provides information on the redundancy and pension costs for employee 14290.

REASONS FOR RECOMMENDATIONS:

Voluntary redundancy was agreed for employee 14920 in October 2023 however the final costs from the Local Government Pension Scheme have far exceeded the estimate meaning that this must now be brought to the attention of Council. This committee needs to be satisfied that the costs relate purely to the contractual obligations of the council when making a post redundant and officers recommend that council approve this decision.

RECOMMENDATIONS:

1. To receive and note Report P/23/07
2. To recommend to council that they note that the redundancy and associated costs for employee 14290 were agreed and paid from the Transformation Fund, as set out in the council report A/23/15 included in the 23/24 budget.

1. INTRODUCTION

- 1.1 In January 2023 the Taking Stock project commenced which culminated in a council-wide restructure starting in Q3 2023/24 with Council approving a £1.5m Transformation Fund in September 2023 (report A/23/15). Ahead of the restructure consultation starting it was agreed to run a Voluntary Redundancy scheme that would be open to all members of staff. This is in line with our Managing Organisational Change Policy which states that the Council will consider steps to avoid compulsory redundancies which include consideration of voluntary redundancy.
- 1.2 The Corporate Leadership Team considered all of the applications received for Voluntary Redundancy in October 2023 and agreed for 13 to be progressed and the employees issued the relevant notice letter taking account of their contractual statutory notice periods.

2. COSTS ASSOCIATED WITH REDUNDANCY

- 2.1 Before making any decisions associated with voluntary redundancy, in April 2023 the HR Team applied to the Kent Pension Fund (KPF) of the Local Government Pension Scheme (LGPS) for **a bulk estimate** of all employees who would be 55 years or over on 31st October 2023. A bulk estimate is the process recommended by the LGPS when requesting information for more than 5 employees at one time. The bulk estimate included employee 14290 who had been employed by F&HDC since November 2017. This request is in line with LGPS requirements as only one full pension estimate can be requested by the employer within a 12 month period. It is important for any employee to have the most up to date information relating to their pension in the last few weeks running up to their actual leaving date, therefore it is standard practice for a local authority to request a bulk estimate rather than a **full pension estimate**.
- 2.2 The pension estimate that was provided for employee 14290 was £64,075.89, and their redundancy payment of £9,616.56 was under the financial threshold requirement (of £100k) to advise this committee and subsequently council of the costs being incurred for the voluntary redundancy. In addition, based on the employee's annual salary, the payback period for these payments was 13.5 months which was well within the 24 month payback limit set by CLT. Therefore CLT agreed that this employee could leave under voluntary redundancy and, based on the relevant notice period, the leaving date was agreed as 30th November 2023.
- 2.3 In October, once the employee had signed agreement to the termination of their contract on 30th November 2023 by way of voluntary redundancy, the HR team immediately notified the KPF for final confirmation for the full cost of the pension strain due to the employee being over the age of 55.

- 2.4 The detailed full cost was not received from KPF until 2nd February 2024 when the final cost of the pension strain was stated as being £151,305.17, significantly more than the estimate of £64,075.89 given in October 2023.

Added to the redundancy cost of £9,616.56 paid to the individual, this means the total cost to the council is £160,921.73, well above the financial threshold of £100K for reporting and approval purposes.

- 2.5 This drastic increase in the cost of the pension strain for employee 14290 was immediately questioned and challenged by the HR Team. Of note is that when the bulk estimate costs were received there were no 'red flags' against this employee to indicate that there may be ongoing work or underlying issues that would lead to the estimate changing by KPF to any large degree, as is normal practice.
- 2.6 Of course, with any estimate, it is feasible that it will change to a small degree either increasing or decreasing however it is worth noting that of the other 7 voluntary redundancies recently agreed for employees aged 55 or over, **all have come in at a lower amount** than the initial bulk estimate due to the actual leaving date being later than the estimated 31st October 2023.
- 2.7 Under the LGPS, the normal retirement age for members is based on their state pension age. In redundancy situations unreduced benefits are payable immediately if the member is aged 55 or over and the employer **must** cover the cost of paying the pension benefits early – this is what is called the Pension Strain.

2.8 Pension Strain Explanation

The funding of a pension scheme is based on all members retiring at their normal retirement age and receiving their benefits for a certain number of years. If benefits are paid before they were expected to be, the pension fund suffers a detriment resulting in a 'strain' on the pension fund.

As an example:

Based on a normal retirement age of 67 with a life expectancy of 90, the LGPS will expect to pay the members pension for 23 years.

If the member retires at 60, then the pension is going to have to be paid for 30 years which is 7 years longer than planned and therefore there will be a shortfall of monies in the fund.

This means that:

- Either the member's pension needs to be reduced, or
- An extra amount of money needs to be paid into the fund by the employer to allow the pension to be paid for a longer period.

The actual pension strain cost depends on the individual member as the amount is based on several factors including age and gender with the calculation formula determined by the Government Actuary.

The employer is responsible for covering the pension strain cost in the following situations:

- If a member is made redundant or leaves on efficiency grounds and is aged 55 or over
- If a member is retired at age 55 or over on flexible retirement grounds
- If the employer chooses to waive a member's actuarial reduction and the member has left on flexible retirement.

If a member chooses to retire and take their LGPS pension before their normal retirement age then there is no cost to the employer and an actuarial reduction is applied to the members pension which could be as much as 30%.

2.9 Therefore in the current situation relating to employee 14290, as this is a true redundancy situation with the post being deleted from the council's organisational structure, F&HDC have no option but to pay the pension strain cost to KPF.

3. ADDITIONAL RELEVANT INFORMATION

3.1 When KPF were initially challenged by the HR Team, their response was that employee 14290 'had been employed by 2 previous authorities and under the regulations as these periods of membership started after 1st April 2014 these funds are automatically transferred across. We were initially aware of one of them but the 2nd one only came to light when we started the full estimate process'.

3.2 Upon further challenge by myself, KPF have stated that 'when the scheme member started they declared a period of pensionable employment working in Waltham Forest in 2017. No action was taken [by KPF] to apply for any details and unfortunately the handwriting on the declaration is so poor it is not immediately obvious that this was Local Authority membership and part of our scheme...The authority prior to Waltham Forest was not declared at all and it is not clear whether the membership was declared to Waltham Forest...Despite several annual illustrations detailing only Kent membership, [employee 14290] never raised a concern or highlighted that previous membership had not transferred.'

3.3 The HR Team had kept a copy of the LGPS declaration form completed in 2017 on the employee's personnel file (see excerpt below) and whilst the handwriting is not completely clear, the words 'Council' and 'Waltham Forest' are relatively clear along with the 'yes' option indicated to the question 'are you interested in investigating a transfer' yet KPF took no action.

Name of previous Pension Provider(s)	Place of Employment and Post held	Date Started	Date Ceased	Are you interested in investigating a transfer?	Were you paying additional contributions?
Woodward Council On the Waltham Forest	WALTHAM FOREST	4-9-17.	11-9-17.	YES/NO	YES/NO

- 3.4 If the employee had been contacted for clarity on the information provided, or the employee had queried their annual pension illustration from LGPS, the current situation would have been avoided.
- 3.5 It is worth highlighting that we are not the only authority to have experienced this problem in recent times. Having spoken to the Assistant Director (HR, Customer Services, Communications & Digitalisation) at Ashford Borough Council as part of the annual payroll delegation review, it emerged that they have had 2 similar occurrences with one taking over a year to resolve (and during this time the employee could not receive their pension payments) and one increasing by a higher amount than the one set out in this report for employee 14290.

The Kent HR Network meets several times per year and our intention is to raise awareness of this amongst our networks. The Chief Executive has also raised the matter with other Chiefs across Kent in an attempt to highlight this potential risk.

4. FUTURE MITIGATION

- 4.1 Whilst the current situation could not have been avoided by the HR Team due to inaction by KPF, we can learn from this and take some mitigating steps for the future.
- The quickest action will be to contact all of our employees who started after 2014 and contribute to the LGPS (which is when the regulations changed to automatic amalgamation of previous LGPS pensions) to alert them to check their annual illustrations and raise any relevant queries to the KPF ensuring any expected pension memberships have been accurately transferred.
 - In addition, when dealing with any future redundancy situations the HR Team will actively check an employee's previous employment history if they started after 2014 and query with KPF directly to ensure that any previous local government pensions have either been amalgamated or a conscious decision has been taken by the employee not to amalgamate.

These steps will be kept under review and any other potential additional mitigating factors will be considered and implemented.

5. SUMMARY OF COSTS

- 5.1 The redundancy payment is £9,616.56 and the final cost of the payment to be made to the Local Government Pension Scheme is £151,305.17. Therefore the total cost to the council is £160,921.73.
- 5.2 Under the annually approved Pay Policy Statement there is a requirement to advise and seek approval from the Council of all payments to be made to an employee (which currently includes pension costs) when the total of those costs exceed £100,000.

6. LEGAL / FINANCIAL AND OTHER CONTROLS / POLICY MATTERS

6.1 Legal Officer's Comments (AK)

The legal position is set out within the main body of the report.

6.2 Finance Officer's Comments (LM)

It is proposed to meet the cost from the available Transformation Fund as the post has been deleted as a result of the Council's restructuring transformation programme.

6.3 Diversities and Equalities Implications (ASm)

There are no specific Diversities and Equalities Implications arising from this report.

7. CONTACT OFFICER AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Andrina Smith, Chief Officer – People & Customer Services

Tel: 01303 853405

Email: Andrina.smith@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

None

This Report will be made public on 4 March 2024

Agenda Item 4

Folkestone
& Hythe



District Council

Report Number **P/23/08**

To: Personnel Committee
Date: 12th March 2024
Status: Non-executive Decision
Chief Officer: Andrina Smith, Chief Officer – People & Customer Services

SUBJECT: PAY POLICY STATEMENT 2024/25

SUMMARY: This report presents an amendment to the pay policy statement for 2024/25 for approval and recommendation to council.

REASONS FOR RECOMMENDATIONS:

Personnel Committee is asked to consider the contents of the report as the policy is required to be adopted by Full Council annually.

RECOMMENDATIONS:

1. To receive and note Report P/23/08
2. To recommend to council that it approve, under S38(1) Localism Act 2011, the Pay Policy Statement appended to this report for 2024/25.

1. INTRODUCTION

- 1.1 All local authorities are required to annually publish, and present to Full Council for adoption, a Pay Policy Statement in accordance with the Localism Act 2011. Folkestone & Hythe District Council's Pay Policy Statement was first approved in January 2012.
- 1.2 The council's Pay Policy Statement was recently submitted to this committee on 25th January (report P/23/06) for recommending to the April Council meeting for approval.

2. PAY POLICY

- 2.1 Since the Personnel Committee meeting on 25th January 2024 an issue involving the Kent Pension Fund (KPF), who administer the Local Government Pension Scheme (LGPS), came to light which has led to a necessary review of the Annual Pay Policy Statement. The issue is the subject of Report P/23/07.
- 2.2 The amendment to the Pay Policy Statement is within paragraph 47 of the Statement and removes the bullet point 'Pension costs required to be paid by the council to the LGPS' as part of an employee's exit package payment offered to Council for a vote should the total be in excess of £100,000.
- 2.3 Redundancy is defined within s139 of the Employment Rights Act 1996 and is classed as a form of dismissal when an employer needs to reduce its workforce –
- (1) For the purposes of this Act an employee who is dismissed shall be taken to be dismissed by reason of redundancy if the dismissal is wholly or mainly attributable to –
- a. The fact that his employer has ceased or intends to cease –
- i. To carry on the business for the purposes of which the employee was employed by him, or
- ii. To carry on that business in the place where the employee was so employed, or
- b. The fact that the requirements of that business –
- i. For employees to carry out work of a particular kind, or
- ii. For employees to carry out work of a particular kind in the place where the employee was employed by the employer,
- have ceased or diminished or are expected to cease or diminish.
- 2.4 Under the LGPS regulations if an employee is made redundant or retired in the interests of business efficiency over the age of 55 they are entitled

to receive immediate payment of the pension that they have built up provided they have more than 2 years service¹.

Therefore, in a true redundancy situation (voluntary or compulsory), the council is required to pay the relevant costs to the KPF acting on behalf of the LGPS.

- 2.5 It would be inappropriate to suggest that council would have an 'opportunity to vote on an exit package' (para 47 of the Pay Policy Statement) as in a true redundancy situation there would be no choice but for the council to pay the relevant costs to KPF due to the pension regulations.
- 2.6 The 2024/25 Pay Policy Statement is attached as **Appendix A** and duplicated in **Appendix B** with tracked changes in order for members of the committee to identify where the amendment has been made.
- 2.7 At the time of writing this report no further updated guidance notes have been issued by the DLUCH, however should an update be issued that requires an amendment to the attached pay policy statement for 2024/25 then a revised statement will be presented to the Personnel Committee at a future meeting.

3. RISK MANAGEMENT ISSUES

- 3.1 A summary of the perceived risks are as follows:
- No perceived risks

4. LEGAL / FINANCIAL AND OTHER CONTROLS / POLICY MATTERS

4.1 Legal Officer's Comments (NM)

There are no legal implications arising directly out of this report, relevant issues having been addressed in each of the report and the Appendix.

4.2 Finance Officer's Comments (OO)

Any financial implications arising from any reward strategy will need to be considered within the council's medium term financial planning process.

4.3 Diversities and Equalities Implications (ASm)

There are no specific Diversities and Equalities Implications arising from this report.

5. CONTACT OFFICER AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

¹ <https://www.lgpsmember.org/your-pension/the-essentials/key-features/>

Andrina Smith, Chief Officer – People & Customer Services

Tel: 01303 853405

Email: Andrina.smith@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

None

Appendix

Appendix A – Draft Pay Policy Statement 2024/25

Appendix B – Pay Policy Statement 2023/24 with tracked changes for 24/25

Folkestone & Hythe District Council Pay Policy Statement – Financial Year 2024-25

Introduction and Purpose

1. In accordance with section 112 of the Local Government Act, 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 policy in accordance with the requirements of section 38 of the Localism Act 2011 (as amended) and the 'Openness and accountability in local pay: guidance under section 40 of the Localism Act 2011 – supplementary guidance' which requires the council to produce a policy statement that covers a number of matters concerning the pay of the council's staff.
2. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees by identifying:
 - The general principles that underpin the council's approach to its pay policy;
 - Definitions of the 'lowest paid employees' and 'chief officers' for the purposes of pay comparison;
 - The methods by which salaries are determined; and
 - The relationship between the remuneration of chief officers and the remuneration of employees who are not chief officers.
3. Once approved by full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis.

Definitions

For the purpose of this pay policy statement, the following definitions will apply:

4. **Pay/remuneration** includes salary (for employees) or payment under a contract of services (for self-employed), expenses, bonuses, as well as contractual arrangements involving possible future severance payments. Also, charges, fees, allowances, benefits in kind, termination payments and increases in/enhancement of pension entitlement as a result of a resolution of the authority.
5. **Chief Officer** is defined within section 43 of the Localism Act 2011 as:
 - The head of the authority's paid service designated under section 4(1) of the Local Government and Housing Act 1989;
 - The monitoring officer designated under section 5(1) of that Act;
 - A statutory chief officer mentioned in section 2(6) of that Act;

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- A non-statutory chief officer mentioned in section 2(7) of that Act; and
 - A deputy chief officer mentioned in section 2(8) of that Act.
6. The following roles within Folkestone & Hythe District Council (FHDC) have therefore been identified as being chief officers for the purposes of this Pay Policy Statement:
- Chief Executive (Head of Paid Service)* (statutory chief officer)
 - Director – Strategy & Resources* (non-statutory chief officer)
 - Director – Housing & Operations* (non-statutory chief officer)
 - Chief Finance Officer & s151 Officer** (statutory chief officer)
 - Monitoring Officer*** (statutory chief officer)
 - In addition, Assistant Directors and those posts which report directly, and are directly accountable, to a statutory or non-statutory chief officer in respect of all or most of their duties****, with the exception of roles which are identified as being solely administrative in nature
7. * Members of the Council’s Corporate Leadership Team (CLT).
** This role is currently undertaken by the Interim Director – Governance & Finance.
*** This role is currently undertaken by the Assistant Director – Governance and Law.
**** It should be noted that, whilst identified as chief officers within the terms of the Localism Act 2011, these posts are not designated as chief officers at FHDC.

Please note that the definition of Chief Officer in this Pay Policy Statement is different to that contained within Part 2 Article 11 of the Constitution.

8. **Lowest paid employees** refers to those staff employed within grade B of the Council’s pay framework at point 8. This definition for the “lowest paid employees” has been adopted because grade B is the lowest grade on the Council’s pay framework. It excludes apprentices, whose pay remains subject to other regulations, and has specific reference under this policy. There are no staff governed by National consultation groups.

At the outset of the 2024/25 financial year –

- Grade B Point 8 is £20,9777
- The mode (most frequently used) salary for permanent employees falls within Grade E, the maximum of which is £33,163

National Minimum Wage & National Living Wage – April 2024

9. The National Living Wage (NLW) for employees aged 21 and over will be £11.44 from 1 April 2024 with the National Minimum Wage (NMW) now only applying to those aged under 21 years.

Appendix A

10. The Council's lowest grade was £10.87 per hour from 1 April 2023 which was £0.45 higher than the NLW. At the time of writing this annual update a pay award for 1 April 2024 is currently being negotiated.

General Approach

11. This pay policy statement provides a basis on which FHDC can compete in labour markets at all levels and for all roles, enabling the council to attract, retain and fairly reward people with the knowledge, experience, skills and attributes that are essential to the effective delivery of services to residents, businesses and other stakeholders within the district as well as fulfilling the council's business objectives.

In our approach to appointments, particularly senior appointments, consideration is given to the value for money for the whole of the public sector. Consideration includes avoidance of arrangements which could be perceived as seeking to minimise tax payments.

Pay and reward packages for the Chief Executive and Chief Officers will be made in an open and accountable way with a verified, accountable process for recommending any changes to their salary scales.

FHDC will be transparent on pay rises including the publication, on the Council's website, of any above inflation pay rises.

Pay Structure

12. FHDC's pay framework was implemented in 2007 and is based on:
 - Local pay determination for 'all other employees who are not Chief Officers', including those Assistant Directors who hold statutory positions and (from September 2023) also includes Directors and the Chief Executive.
 -
13. FHDC's pay grades are locally determined taking into account national guidance, with the grade for each role being determined by a consistent job evaluation process. This followed a national requirement for all Local Authorities and other public sector employers to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer.
14. As part of this, FHDC determined a local pay framework and the overall number of grades is 11, grade B being the lowest and grade L the highest. Grade A on the pay framework was removed as part of the pay negotiations for April 2020. Grade L was introduced during the 2019-20 financial year following a benchmarking exercise with approval from Personnel Committee. Each employee (with the exception of the Chief Executive and Directors) will be on one of the 11 grades based on the job evaluation of their role. Employees can progress to the salary range

Appendix A

maximum of their grade by annual progression unless formal performance interventions are in place.

15. Terms and conditions of employment, including the pay framework, are determined by Personnel Committee. The Personnel Committee comprises elected Councillors and is formed in accordance with the rules governing proportionality.
16. Pay awards are considered annually by the Joint Staff Consultative Panel for all employees unless otherwise by agreement. These are developed using local pay determination in negotiation with the local Trades Unions and staff representatives. The last pay award was made at April 2023 with the next due to be implemented from 1 April 2024 (subject to negotiation).

The current salary scale applicable from April 2023 can be seen at **Appendix 1**.

17. FHDC will be transparent on pay rises including the publication, on the Council's website, of any above inflation pay rises.
18. The pay for the Chief Executive and Director roles is subject to local pay negotiation and following a benchmarking exercise undertaken by an external advisor during 2023 the Personnel Committee approved new pay scales for these roles in September 2023.

The current salary scales for the Chief Executive and Directors can be seen at **Appendix 2**.

19. New appointments to any of the council's pay grades are subject to the Council's recruitment and selection policy and will generally be made at the bottom pay point within a pay grade unless there are special circumstances that objectively justify payment at a higher pay point within the grade, e.g. where the candidate's current employment package would make the first point of the pay grade unattractive. This is determined following discussion with the Human Resources team and will be within the salary range for the role.
20. There are a small number of career-graded posts within the Council where advancement through a grade is based on achievement of relevant qualifications and completion of practical experience. In these cases, a job description has been created and evaluated to cover each stage of the career in order to assess advancement through the grade.
21. For the Chief Executive and Directors, salary on appointment has regard to the relative size and challenge of the role and account is also taken of other relevant available information, including the salaries of comparable posts in other similar sized organisations.
22. FHDC operates a market supplement policy which allows an additional supplement to be applied on top of basic salary in order to attract

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applicants of the right calibre, and to retain employees with necessary skills and experience especially in professions where there is a particular skills shortage. A supplement of this kind can only be approved via submission of evidence from the recruiting manager to the Chief Officer – People & Customer Services who submits the documentation to the Corporate Leadership Team for review and approval by the Chief Executive. All such supplements are time limited and subject to appropriate review before consideration is given to an extension.

23. There may from time to time be situations where employees are transferred into FHDC from another organisations which have different pay and conditions. The employees' terms and conditions on transfer may be subject to protection under TUPE or TUPE-like arrangements, and as such may then be outside of the council's main pay structure until such time as it is possible for them to be integrated.
24. It is a recommendation of the DCLG¹ that Full Council should be offered the opportunity to vote before a new employee is offered a salary package of £100,000 or more in respect of a new appointment. At FHDC, all new employee appointments to chief officer posts are made in accordance with the pay grades identified within this statement (see Appendices 1 & 2), which includes those in excess of £100,000 per annum. Any proposed variation to the application of this policy in this regard will be reported to Full Council.

Of the chief officer posts whose salary package exceeds £100,000 upon appointment the following arrangements will apply under the council's constitution:

- The appointment of the Chief Executive is approved and voted on by Full Council following recommendation by the Personnel Committee.
 - Directors are selected by the Personnel Committee. A report will then be prepared for Full Council on the recommended appointment enabling approval and voting by Full Council on that appointment.
 - Assistant Directors are appointed by the Chief Executive. Should the salary package be in excess of £100,000 then a report will be prepared for Full Council on the recommended appointment enabling approval and voting by Full Council on that appointment.
25. Salary packages include the annual salary, bonuses, fees or allowances routinely payable to the appointee and benefits in kind to which the officer is entitled as a result of their employment.
 26. The posts with a current salary package above £100,000 per annum are the Chief Executive, Directors and (due to incremental increases and pay awards) Assistant Directors who are appointed within Grade L of the FHDC pay scales.

¹ Openness and accountability in local pay: guidance under section 40 of the Localism Act (Feb 2012)

Appendix A

Apprenticeships

27. With effect from 1 April 2023 the national hourly rate for the first year of an apprenticeship is –
- £6.40 per hour irrespective of age

From the second year of an apprenticeship –

- Aged 17 £6.40 per hour
- Aged 18-20 £8.60 per hour
- Aged 21 & over £11.44 per hour

Local Government Pension Scheme

28. Subject to qualifying conditions, all employees have a right to join the Local Government Pension Scheme. In addition, the Council operates pensions 'auto enrolment' as required by the Pensions Act 2008. The table below sets out the pension contribution bands which are effective from 1 April 2022.

Band	Actual annual pensionable pay ²	Employee Contribution (%)
1	Up to £15,000	5.5%
2	£15,001 - £23,600	5.8%
3	£23,601 - £38,300	6.5%
4	£38,301 - £48,500	6.8%
5	£48,501 - £67,900	8.5%
6	£67,901 - £96,200	9.9%
7	£96,201 - £113,400	10.5%
8	£113,401 - £170,100	11.4%
9	More than £170,101	12.5%

The employer contribution rates are set by actuaries advising the Kent Pension Fund and are reviewed on a regular basis in order to ensure the scheme is appropriately funded. The employer contribution rate for 2023/24 increased to 20.2%.

29. There are no locally agreed enhancements to the pension scheme. With the exclusion of the Head of Paid Service responsibility for any such enhancements would be at the discretion of the Personnel Committee. In relation to the Head of Paid Service, any such enhancements would be at the discretion, and with the approval, of Full Council.
30. Where a senior (chief officer) new starter already receives a public sector pension, this will be declared on the FHDC website and relevant abatement implemented.

Additional Information

² LGPS define pensionable pay as the total of all salary, wages, fees and other payments paid to an employee (Regulation 20 – Local Government Pension Scheme Regulations 2013) [The Local Government Pension Scheme Regulations 2013 \(legislation.gov.uk\)](#)

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31. In addition to incremental progression, FHDC provides the following additional payment schemes applicable to employees on the main pay framework:
- When temporarily undertaking additional duties e.g. the full, or a proportion of, the duties of a higher graded post (acting up payment), or in carrying out election duties
 - Honorarium payments e.g. for exceptional level of performance
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 - Additional and accelerated increments e.g. for exam success on pre-determined roles and qualifications but subject to the maximum of the pay grade not being exceeded.

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Charges, Fees or Allowances

36. The following charges, fees or allowances are paid to the Chief Executive: Election Duties including as Returning Officer, paid separately from salary payments. The Council's Returning Officer, who is also the Chief Executive, receives separate fees for local elections under S36 of the Representation of the People Act 1983. The Council has chosen to adopt

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the Kent Scale of Fees and Charges for local elections (see: [Cabinet decision and report](#) of 28 September 2011). The Returning Officer must not exceed the maximum fees and charges as laid down in the scale unless further approval is given by a decision of Cabinet or Full Council.

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42. As part of the F&H Rewards scheme, employees are able to participate in a salary sacrifice scheme for the purchase of bicycles under a 'Cycle to Work' scheme and the purchase of white goods and electronics under the 'SmartTech' scheme.
43. During the 2022/23 financial year a new salary sacrifice car lease scheme was successfully launched to employees via the F&H Rewards scheme in conjunction with Tusker. The scheme focusses purely on electric and hybrid vehicles.
44. These salary sacrifice schemes and their operation are regulated by HM Revenues and Customs and there are strict rules around the management of the schemes. The schemes permit employees to 'sacrifice' part of their salary in exchange for a benefit. This means that tax and national insurance are not paid on the amount sacrificed effectively reducing the cost of the benefit to the employee. These schemes are open to all

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employees at the council with the proviso that their salary exceeds the National Minimum Wage after the deduction.

Payments on Termination

45. We are required to publish –
- Our policy on discretionary payments on early termination of employment and our policy on increasing an employee's total pension scheme membership and on awarding additional pension (Regulation 66 of the Local Government Pension Scheme [Administration] Regulations 2008). These are covered in the Early Termination of Employment Policy which can be found on FHDC's website.
 - Statements relating to remuneration. Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 requires an authority to formulate, review and publish its policy on making discretionary payments on early termination of employment.
46. FHDC pays statutory redundancy payments in accordance with the Employment Relations Act 1998, which provides for a maximum calculation of up to 30 weeks' pay. The payment will be based on an employee's actual weekly salary rather than the figure set by the Government.
47. Full council will be offered the opportunity to vote on exit packages which are greater than £100,000³. In such circumstances, the employee will be made aware that before an exit package can be confirmed the information will firstly be considered by the Personnel Committee who will then recommend that the decision be taken by Council.

When presenting the information to Personnel Committee and Council the components within the package will be clearly outlined. These components may include:

- Salary paid in lieu of notice
- Redundancy
- Compensation for loss of office
- Pension entitlements
- Holiday pay
- Any bonuses, fees or allowances

Any such payments will be subject to compliance with all relevant legislation.

For transparency, whilst the council has no discretion over the payment of pension costs to the LGPS relating to an employee aged 55 or over leaving on redundancy or efficiency grounds, should making such a payment result in a total exit package greater than £100,000 a report for councillors to note will be submitted to the next full council meeting.

³ Openness and accountability in local pay: guidance under section 40 of the Localism Act (Feb 2012)

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48. It is important that the Council has flexibility to respond to unforeseen circumstances as regards re-employing a former employee as a Chief Officer. If we re-employ a previous employee who received a redundancy or severance package on leaving, or if that person returns on a 'contract for services', or if they are in receipt of a Local Government / Firefighter Pension Scheme (with same or another local authority), we require that the requirements of the following are observed:
- The Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999
- And/or
- Relevant abatement.
49. It is the Council's policy that in normal circumstances a FHDC employee whose employment has been terminated on grounds of voluntary redundancy and/or voluntary early retirement and who has received a severance payment and/or early retirement benefits will not be re-engaged. In exceptional circumstances there may be a justifiable case for re-engaging such an employee but this may only occur following agreement by members of the Corporate Leadership Team.

Gender Pay Gap Reporting

50. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2016 introduced a mandatory gender pay gap reporting duty for employers of 250 or more employees and came into force for qualifying public sector employers from April 2017. The pay information provided must be based on data from a specific pay period with the overall mean and median pay gap information being published before the 30th March each year.
51. As FHDC employs more than 250 staff the requirement to publish information has been met annually with the relevant calculations be presented to the Corporate Leadership Team in February before publication in March each year. The details are also provided to Personnel Committee annually in June which enables more benchmarked comparisons to be reported.

Publication and Access to Information

52. FHDC is 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.
53. For the Statement of Accounts, Accounts and Audit Regulations and CIPFA Accounting Code of Practice requires us to publish:
- Senior officer remuneration details on a post by post level
 - Disclosure of remuneration amounting to £50,000 and over in bands of £5,000

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- Exit package disclosures
54. Information on pay will be published on the FHDC website, as follows and by:
- 1 June – the Pay Multiple figure including the median average salary and information on senior salaries
 - 30 September – the accounts as audited by the Council's external auditors.
55. This pay policy statement, once approved by Full Council, will be published on the Council's public website.
56. This statement is for the financial year 1st April 2024 – 31st March 2025.
57. Full Council may, by resolution, amend this statement (including after the beginning of the financial year to which it relates). An amended statement will be published on the Council's public website.

Appendices:

Appendix 1 – FHDC Salary Scale

Appendix 2 – Chief Executive & Directors Salary Scale

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Grade	Point	1st April 2019	1st April 2020	1st April 2021	1st April 2022	1st April 2023
A	3	Salary Point Remove				
	4	£16,078				
	5	£16,496				
	6	£16,961				
B	7	£17,473	£17,998	£18,538	Salary Point Removed	
	8	£17,887	£18,424	£18,977	£19,477	£20,977
	9	£18,320	£18,870	£19,437	£19,937	£21,437
	10	£18,793	£19,357	£19,938	£20,438	£21,938
C	11	£19,261	£19,839	£20,435	£20,844	£22,344
	12	£19,647	£20,237	£20,845	£21,262	£22,762
	13	£20,399	£21,011	£21,642	£22,075	£23,575
	14	£21,161	£21,796	£22,450	£22,899	£24,399
D	15	£21,941	£22,600	£23,278	£23,744	£25,244
	16	£22,521	£23,197	£23,893	£24,371	£25,871
	17	£23,176	£23,872	£24,589	£25,081	£26,581
	18	£23,943	£24,662	£25,402	£25,911	£27,411
	19	£24,716	£25,458	£26,222	£26,747	£28,247
E	20	£25,506	£26,272	£27,061	£27,603	£29,103
	21	£26,362	£27,153	£27,968	£28,528	£30,028
	22	£27,238	£28,056	£28,898	£29,476	£30,976
	23	£28,317	£29,167	£30,043	£30,644	£32,144
	24	£29,259	£30,137	£31,042	£31,663	£33,163
F	25	£29,944	£30,843	£31,769	£32,405	£33,905
	26	£30,830	£31,755	£32,708	£33,363	£34,863
	27	£31,747	£32,700	£33,681	£34,355	£35,855
	28	£32,658	£33,638	£34,648	£35,341	£36,841
	29	£33,337	£34,338	£35,369	£36,077	£37,577
	30	£34,225	£35,252	£36,310	£37,037	£38,537
G	31	£35,196	£36,252	£37,340	£38,087	£39,587
	32	£36,231	£37,318	£38,438	£39,207	£40,707
	33	£37,415	£38,538	£39,695	£40,489	£41,989
	34	£38,406	£39,559	£40,746	£41,561	£43,061
	35	£39,425	£40,608	£41,827	£42,664	£44,164
	36	£40,432	£41,645	£42,895	£43,753	£45,253
H	37	£41,440	£42,684	£43,965	£44,845	£46,345
	38	£42,459	£43,733	£45,045	£45,946	£47,446
	39	£43,418	£44,721	£46,063	£46,985	£48,485
	40	£44,470	£45,805	£47,180	£48,124	£49,624
	41	£45,498	£46,863	£48,269	£49,235	£50,735
	42	£46,486	£47,881	£49,318	£50,305	£51,815
I	43	£47,486	£48,911	£50,379	£51,387	£52,929
	44	£48,511	£49,967	£51,467	£52,497	£54,072
	45	£49,553	£51,040	£52,572	£53,624	£55,233
	46	£50,625	£52,144	£53,709	£54,784	£56,428
	47	£51,709	£53,261	£54,859	£55,957	£57,636
J	48	£52,828	£54,413	£56,046	£57,167	£58,883
	49	£53,812	£55,427	£57,090	£58,232	£59,979
	50	£54,902	£56,550	£58,247	£59,412	£61,195
	51	£55,991	£57,671	£59,402	£60,591	£62,409
	52	£58,160	£59,905	£61,703	£62,938	£64,827
K	53	£59,741	£61,534	£63,381	£64,649	£66,589
	54	£61,898	£63,755	£65,668	£66,982	£68,992
	55	£63,336	£65,237	£67,195	£68,539	£70,596
	56	£65,708	£67,680	£69,711	£71,106	£73,240
	57	£68,084	£70,127	£72,231	£73,676	£75,887
	58	£70,452	£72,566	£74,743	£76,238	£78,526
	59	£72,828	£75,013	£77,264	£78,810	£81,175
L	60	£79,308	£81,688	£84,139	£85,822	£88,397
	61	£81,483	£83,928	£86,446	£88,175	£90,821
	62	£83,613	£86,122	£88,706	£90,481	£93,196
	63	£88,127	£90,771	£93,495	£95,365	£98,226
	64	£91,248	£93,986	£96,806	£98,743	£101,706

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SENIOR MANAGEMENT GRADES

Effective 1st April 2024

(Personnel Committee report dated 21st September 2023)

	Chief Executive	Corporate Directors
Point 1	£124,148	£103,306
Point 2	£130,355	£107,039
Point 3	£136,872	£110,772
Point 4	£143,715	£114,649
Point 5	£148,745	N/A

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Folkestone & Hythe District Council Pay Policy Statement – Financial Year 2024-25

Introduction and Purpose

1. In accordance with section 112 of the Local Government Act, 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 policy in accordance with the requirements of section 38 of the Localism Act 2011 (as amended) and the 'Openness and accountability in local pay: guidance under section 40 of the Localism Act 2011 – supplementary guidance' which requires the council to produce a policy statement that covers a number of matters concerning the pay of the council's staff.
2. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees by identifying:
 - The general principles that underpin the council's approach to its pay policy;
 - Definitions of the 'lowest paid employees' and 'chief officers' for the purposes of pay comparison;
 - The methods by which salaries are determined; and
 - The relationship between the remuneration of chief officers and the remuneration of employees who are not chief officers.
3. Once approved by full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis.

Definitions

For the purpose of this pay policy statement, the following definitions will apply:

4. **Pay/remuneration** includes salary (for employees) or payment under a contract of services (for self-employed), expenses, bonuses, as well as contractual arrangements involving possible future severance payments. Also, charges, fees, allowances, benefits in kind, termination payments and increases in/enhancement of pension entitlement as a result of a resolution of the authority.
5. **Chief Officer** is defined within section 43 of the Localism Act 2011 as:
 - The head of the authority's paid service designated under section 4(1) of the Local Government and Housing Act 1989;
 - The monitoring officer designated under section 5(1) of that Act;
 - A statutory chief officer mentioned in section 2(6) of that Act;

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- A non-statutory chief officer mentioned in section 2(7) of that Act; and
 - A deputy chief officer mentioned in section 2(8) of that Act.
6. The following roles within Folkestone & Hythe District Council (FHDC) have therefore been identified as being chief officers for the purposes of this Pay Policy Statement:
- Chief Executive (Head of Paid Service)* (statutory chief officer)
 - Director – Strategy & Resources* (non-statutory chief officer)
 - Director – Housing & Operations* (non-statutory chief officer)
 - Chief Finance Officer & s151 Officer** (statutory chief officer)
 - Monitoring Officer*** (statutory chief officer)
 - In addition, Assistant Directors and those posts which report directly, and are directly accountable, to a statutory or non-statutory chief officer in respect of all or most of their duties****, with the exception of roles which are identified as being solely administrative in nature
7. * Members of the Council’s Corporate Leadership Team (CLT).
** This role is currently undertaken by the Interim Director – Governance & Finance.
*** This role is currently undertaken by the Assistant Director – Governance and Law.
**** It should be noted that, whilst identified as chief officers within the terms of the Localism Act 2011, these posts are not designated as chief officers at FHDC.

Please note that the definition of Chief Officer in this Pay Policy Statement is different to that contained within Part 2 Article 11 of the Constitution.

8. **Lowest paid employees** refers to those staff employed within grade B of the Council’s pay framework at point 8. This definition for the “lowest paid employees” has been adopted because grade B is the lowest grade on the Council’s pay framework. It excludes apprentices, whose pay remains subject to other regulations, and has specific reference under this policy. There are no staff governed by National consultation groups.

At the outset of the 2024/25 financial year –

- Grade B Point 8 is £20,9777
- The mode (most frequently used) salary for permanent employees falls within Grade E, the maximum of which is £33,163

National Minimum Wage & National Living Wage – April 2024

9. The National Living Wage (NLW) for employees aged 21 and over will be £11.44 from 1 April 2024 with the National Minimum Wage (NMW) now only applying to those aged under 21 years.

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10. The Council's lowest grade was £10.87 per hour from 1 April 2023 which was £0.45 higher than the NLW. At the time of writing this annual update a pay award for 1 April 2024 is currently being negotiated.

General Approach

11. This pay policy statement provides a basis on which FHDC can compete in labour markets at all levels and for all roles, enabling the council to attract, retain and fairly reward people with the knowledge, experience, skills and attributes that are essential to the effective delivery of services to residents, businesses and other stakeholders within the district as well as fulfilling the council's business objectives.

In our approach to appointments, particularly senior appointments, consideration is given to the value for money for the whole of the public sector. Consideration includes avoidance of arrangements which could be perceived as seeking to minimise tax payments.

Pay and reward packages for the Chief Executive and Chief Officers will be made in an open and accountable way with a verified, accountable process for recommending any changes to their salary scales.

FHDC will be transparent on pay rises including the publication, on the Council's website, of any above inflation pay rises.

Pay Structure

12. FHDC's pay framework was implemented in 2007 and is based on:
 - Local pay determination for 'all other employees who are not Chief Officers', including those Assistant Directors who hold statutory positions and (from September 2023) also includes Directors and the Chief Executive.
 -
13. FHDC's pay grades are locally determined taking into account national guidance, with the grade for each role being determined by a consistent job evaluation process. This followed a national requirement for all Local Authorities and other public sector employers to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer.
14. As part of this, FHDC determined a local pay framework and the overall number of grades is 11, grade B being the lowest and grade L the highest. Grade A on the pay framework was removed as part of the pay negotiations for April 2020. Grade L was introduced during the 2019-20 financial year following a benchmarking exercise with approval from Personnel Committee. Each employee (with the exception of the Chief Executive and Directors) will be on one of the 11 grades based on the job evaluation of their role. Employees can progress to the salary range

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maximum of their grade by annual progression unless formal performance interventions are in place.

15. Terms and conditions of employment, including the pay framework, are determined by Personnel Committee. The Personnel Committee comprises elected Councillors and is formed in accordance with the rules governing proportionality.
16. Pay awards are considered annually by the Joint Staff Consultative Panel for all employees unless otherwise by agreement. These are developed using local pay determination in negotiation with the local Trades Unions and staff representatives. The last pay award was made at April 2023 with the next due to be implemented from 1 April 2024 (subject to negotiation).

The current salary scale applicable from April 2023 can be seen at **Appendix 1**.

17. FHDC will be transparent on pay rises including the publication, on the Council's website, of any above inflation pay rises.
18. The pay for the Chief Executive and Director roles is subject to local pay negotiation and following a benchmarking exercise undertaken by an external advisor during 2023 the Personnel Committee approved new pay scales for these roles in September 2023.

The current salary scales for the Chief Executive and Directors can be seen at **Appendix 2**.

19. New appointments to any of the council's pay grades are subject to the Council's recruitment and selection policy and will generally be made at the bottom pay point within a pay grade unless there are special circumstances that objectively justify payment at a higher pay point within the grade, e.g. where the candidate's current employment package would make the first point of the pay grade unattractive. This is determined following discussion with the Human Resources team and will be within the salary range for the role.
20. There are a small number of career-graded posts within the Council where advancement through a grade is based on achievement of relevant qualifications and completion of practical experience. In these cases, a job description has been created and evaluated to cover each stage of the career in order to assess advancement through the grade.
21. For the Chief Executive and Directors, salary on appointment has regard to the relative size and challenge of the role and account is also taken of other relevant available information, including the salaries of comparable posts in other similar sized organisations.
22. FHDC operates a market supplement policy which allows an additional supplement to be applied on top of basic salary in order to attract

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applicants of the right calibre, and to retain employees with necessary skills and experience especially in professions where there is a particular skills shortage. A supplement of this kind can only be approved via submission of evidence from the recruiting manager to the Chief Officer – People & Customer Services who submits the documentation to the Corporate Leadership Team for review and approval by the Chief Executive. All such supplements are time limited and subject to appropriate review before consideration is given to an extension.

23. There may from time to time be situations where employees are transferred into FHDC from another organisations which have different pay and conditions. The employees' terms and conditions on transfer may be subject to protection under TUPE or TUPE-like arrangements, and as such may then be outside of the council's main pay structure until such time as it is possible for them to be integrated.
24. It is a recommendation of the DCLG¹ that Full Council should be offered the opportunity to vote before a new employee is offered a salary package of £100,000 or more in respect of a new appointment. At FHDC, all new employee appointments to chief officer posts are made in accordance with the pay grades identified within this statement (see Appendices 1 & 2), which includes those in excess of £100,000 per annum. Any proposed variation to the application of this policy in this regard will be reported to Full Council.

Of the chief officer posts whose salary package exceeds £100,000 upon appointment the following arrangements will apply under the council's constitution:

- The appointment of the Chief Executive is approved and voted on by Full Council following recommendation by the Personnel Committee.
 - Directors are selected by the Personnel Committee. A report will then be prepared for Full Council on the recommended appointment enabling approval and voting by Full Council on that appointment.
 - Assistant Directors are appointed by the Chief Executive. Should the salary package be in excess of £100,000 then a report will be prepared for Full Council on the recommended appointment enabling approval and voting by Full Council on that appointment.
25. Salary packages include the annual salary, bonuses, fees or allowances routinely payable to the appointee and benefits in kind to which the officer is entitled as a result of their employment.
 26. The posts with a current salary package above £100,000 per annum are the Chief Executive, Directors and (due to incremental increases and pay awards) Assistant Directors who are appointed within Grade L of the FHDC pay scales.

¹ Openness and accountability in local pay: guidance under section 40 of the Localism Act (Feb 2012)

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Apprenticeships

27. With effect from 1 April 2023 the national hourly rate for the first year of an apprenticeship is –
- £6.40 per hour irrespective of age

From the second year of an apprenticeship –

- Aged 17 £6.40 per hour
- Aged 18-20 £8.60 per hour
- Aged 21 & over £11.44 per hour

Local Government Pension Scheme

28. Subject to qualifying conditions, all employees have a right to join the Local Government Pension Scheme. In addition, the Council operates pensions 'auto enrolment' as required by the Pensions Act 2008. The table below sets out the pension contribution bands which are effective from 1 April 2022.

Band	Actual annual pensionable pay ²	Employee Contribution (%)
1	Up to £15,000	5.5%
2	£15,001 - £23,600	5.8%
3	£23,601 - £38,300	6.5%
4	£38,301 - £48,500	6.8%
5	£48,501 - £67,900	8.5%
6	£67,901 - £96,200	9.9%
7	£96,201 - £113,400	10.5%
8	£113,401 - £170,100	11.4%
9	More than £170,101	12.5%

The employer contribution rates are set by actuaries advising the Kent Pension Fund and are reviewed on a regular basis in order to ensure the scheme is appropriately funded. The employer contribution rate for 2023/24 increased to 20.2%.

29. There are no locally agreed enhancements to the pension scheme. With the exclusion of the Head of Paid Service responsibility for any such enhancements would be at the discretion of the Personnel Committee. In relation to the Head of Paid Service, any such enhancements would be at the discretion, and with the approval, of Full Council.
30. Where a senior (chief officer) new starter already receives a public sector pension, this will be declared on the FHDC website and relevant abatement implemented.

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² LGPS define pensionable pay as the total of all salary, wages, fees and other payments paid to an employee (Regulation 20 – Local Government Pension Scheme Regulations 2013) [The Local Government Pension Scheme Regulations 2013 \(legislation.gov.uk\)](#)

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42. As part of the F&H Rewards scheme, employees are able to participate in a salary sacrifice scheme for the purchase of bicycles under a 'Cycle to Work' scheme and the purchase of white goods and electronics under the 'SmartTech' scheme.

43. During the 2022/23 financial year a new salary sacrifice car lease scheme was successfully launched to employees via the F&H Rewards scheme in conjunction with Tusker. The scheme focusses purely on electric and hybrid vehicles.

44. These salary sacrifice schemes and their operation are regulated by HM Revenues and Customs and there are strict rules around the management of the schemes. The schemes permit employees to 'sacrifice' part of their salary in exchange for a benefit. This means that tax and national insurance are not paid on the amount sacrificed effectively reducing the cost of the benefit to the employee. These schemes are open to all

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employees at the council with the proviso that their salary exceeds the National Minimum Wage after the deduction.

Payments on Termination

45. We are required to publish –
- Our policy on discretionary payments on early termination of employment and our policy on increasing an employee's total pension scheme membership and on awarding additional pension (Regulation 66 of the Local Government Pension Scheme [Administration] Regulations 2008). These are covered in the Early Termination of Employment Policy which can be found on FHDC's website.
 - Statements relating to remuneration. Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 requires an authority to formulate, review and publish its policy on making discretionary payments on early termination of employment.
46. FHDC pays statutory redundancy payments in accordance with the Employment Relations Act 1998, which provides for a maximum calculation of up to 30 weeks' pay. The payment will be based on an employee's actual weekly salary rather than the figure set by the Government.
47. Full council will be offered the opportunity to vote on exit packages which are greater than £100,000³. In such circumstances, the employee will be made aware that before an exit package can be confirmed the information will firstly be considered by the Personnel Committee who will then recommend that the decision be taken by Council.

When presenting the information to Personnel Committee and Council the components within the package will be clearly outlined. These components may include:

- Salary paid in lieu of notice
- Redundancy
- Compensation for loss of office
- Pension entitlements
- ~~Pension costs required to be paid by the council to the LGPS~~
- Holiday pay
- Any bonuses, fees or allowances

Any such payments will be subject to compliance with all relevant legislation.

For transparency, whilst the council has no discretion over the payment of pension costs to the LGPS relating to an employee aged 55 or over leaving on redundancy or efficiency grounds, should making such a

³ Openness and accountability in local pay: guidance under section 40 of the Localism Act (Feb 2012)

Appendix A

payment result in a total exit package greater than £100,000 a report for councillors to note will be submitted to the next full council meeting.

48. It is important that the Council has flexibility to respond to unforeseen circumstances as regards re-employing a former employee as a Chief Officer. If we re-employ a previous employee who received a redundancy or severance package on leaving, or if that person returns on a 'contract for services', or if they are in receipt of a Local Government / Firefighter Pension Scheme (with same or another local authority), we require that the requirements of the following are observed:
- The Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999
And/or
 - Relevant abatement.
49. It is the Council's policy that in normal circumstances a FHDC employee whose employment has been terminated on grounds of voluntary redundancy and/or voluntary early retirement and who has received a severance payment and/or early retirement benefits will not be re-engaged. In exceptional circumstances there may be a justifiable case for re-engaging such an employee but this may only occur following agreement by members of the Corporate Leadership Team.

Gender Pay Gap Reporting

50. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2016 introduced a mandatory gender pay gap reporting duty for employers of 250 or more employees and came into force for qualifying public sector employers from April 2017. The pay information provided must be based on data from a specific pay period with the overall mean and median pay gap information being published before the 30th March each year.
51. As FHDC employs more than 250 staff the requirement to publish information has been met annually with the relevant calculations be presented to the Corporate Leadership Team in February before publication in March each year. The details are also provided to Personnel Committee annually in June which enables more benchmarked comparisons to be reported.

Publication and Access to Information

52. FHDC is 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.
53. For the Statement of Accounts, Accounts and Audit Regulations and CIPFA Accounting Code of Practice requires us to publish:
- Senior officer remuneration details on a post by post level

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- Disclosure of remuneration amounting to £50,000 and over in bands of £5,000
 - Exit package disclosures
54. Information on pay will be published on the FHDC website, as follows and by:
- 1 June – the Pay Multiple figure including the median average salary and information on senior salaries
 - 30 September – the accounts as audited by the Council’s external auditors.
55. This pay policy statement, once approved by Full Council, will be published on the Council’s public website.
56. This statement is for the financial year 1st April 2024 – 31st March 2025.
57. Full Council may, by resolution, amend this statement (including after the beginning of the financial year to which it relates). An amended statement will be published on the Council’s public website.

Appendices:

Appendix 1 – FHDC Salary Scale

Appendix 2 – Chief Executive & Directors Salary Scale

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