



Agenda

Meeting: **Personnel Committee**
Date: **4 February 2021**
Time: **2.00 pm**
Place: **Zoom - remote meeting**

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>. Although unlikely, no guarantee can be made that Members of the public in attendance will not appear in the webcast footage. It is therefore recommended that anyone with an objection to being filmed does not enter the council chamber.

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. **Minutes (Pages 5 - 6)**

To consider and approve, as a correct record, the minutes of the meeting held on 17 September 2020.

Queries about the agenda? Need a different format?

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

4. **Employer supported volunteering policy (Pages 7 - 14)**

This report presents a new policy to the Personnel Committee which is designed to provide our staff with the opportunity to undertake volunteering activities within our district.

5. **Pay Policy Statement 2021/22 (Pages 15 - 26)**

This report presents the pay policy statement for 2021/22 for approval and recommendation to council.

6. **Removal of the essential user allowance (Pages 27 - 34)**

This report provides the committee with a proposal which removes the essential car user allowance and associated mileage rates for all staff (as per the commitment reached in the 2016/17 pay settlement), but also ensures that the few members of staff who do travel extensively across the district on council business are not heavily impacted in a negative way.

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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Minutes

Personnel Committee

Held at: Zoom - remote meeting

Date Thursday, 17 September 2020

Present Councillors Mrs Ann Berry, Nicola Keen, David Monk (Chairman), Tim Prater and Rebecca Shoob

Apologies for Absence

Officers Present: Sue Lewis (Committee Services Officer), Susan Priest (Chief Executive) and Andrina Smith (Chief HR Officer)

Others Present:

1. **Declarations of Interest**

There were no declarations of interest.

2. **Minutes**

The minutes of the meeting held on 4 June 2020 were submitted, approved and signed by the Chairman.

3. **Appointment of the Joint Staff Consultative Panel**

At the last meeting of the Committee on 4 June 2020, Councillors Monk, Brook and Shoob were appointed as members of the Joint Staff Consultative Panel for the municipal year 20/21. The constitution requires that the Panel be formed of the Leader of the Council, plus one Member from each political party.

Proposed by Councillor David Monk
Seconded by Councillor Mrs Ann Berry and

Resolved: To appoint Councillors Keen and Prater to the Joint Staff Consultative Panel.

(Voting: For 5; Against 0; Abstentions 0)

4. **Exclusion of the Public**

Proposed by Councillor David Monk
Seconded by Councillor Nicola Keen and

Resolved: To exclude the public for the following item of business on the grounds that it is likely to disclose exempt information, as defined in paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972 –

‘Information relating to any individual.’

(Voting: For 5; Against 0; Abstentions 0)

5. Removal of the Essential User Allowance

This report provides the committee with a proposal which removes the essential car user allowance and associated mileage rates for all staff (as per the commitment reached in the 2016/17 pay settlement), but also ensures that the few members of staff who do travel extensively across the district on council business are not heavily impacted in a negative way.

Proposed by Councillor David Monk
Seconded by Councillor Tim Prater and

Resolved:

- 1. To receive and note Report P/20/06.**
- 2. To delay making the decision which removes the essential car user allowance and associated mileage rates for staff until officers provide further information taking into account member discussions.**
- 3. That a meeting of the Personnel Committee is held in January 2021, date to be confirmed.**

(Voting: For 5; Against 0; Abstentions 0)

This Report will be made public on 25 January 2021

Agenda Item 4

Folkestone
& Hythe



District Council

Report Number **P/20/07**

To: Personnel Committee
Date: 4th February 2021
Status: Non-executive Decision
Chief Officer: Andrina Smith, Chief HR Officer

SUBJECT: EMPLOYER SUPPORTED VOLUNTEERING POLICY

SUMMARY: This report presents a new policy to the Personnel Committee which is designed to provide our staff with the opportunity to undertake volunteering activities within our district.

REASONS FOR RECOMMENDATIONS:

Personnel Committee is asked to note the contents of the report.

RECOMMENDATIONS:

1. To receive and note Report P/20/07.
2. To approve the introduction of the Employer Supported Volunteering Policy

1. INTRODUCTION

- 1.1 Volunteers make a real positive contribution to our local communities and our staff have expressed a desire to be able to 'give something back' whilst employed by the council.

2. EMPLOYER SUPPORTED VOLUNTEERING POLICY

- 2.1 The draft of our new Corporate Plan has a key priority of 'Excellent Community Leadership' and enabling our staff to go out into the local district for volunteering activities links with this priority.
- 2.2 In addition, a core theme within the Times Top 100 best companies' survey links to the theme of 'giving something back'. The implementation of this policy would allow us to launch this new initiative to our staff ahead of the survey which is scheduled to run from 1st March 2021.
- 2.3 The policy itself draws together elements that are currently included elsewhere in our Special Leave policy and lists public service activities such as reservists in section 2.4.
- 2.4 The proposal is to allow staff up to 2 days paid leave per year to undertake individual volunteering activities. This would be pro rata for part time staff. There is no requirement to take both days at the same time and activities can be from an individual's area of specialism or it could be an opportunity to try something completely new.
- 2.5 The application process in section 6 will be straight forward but will ask the individual to confirm the details of the host organisation, the nature of the activities to be undertaken, the times / dates of the activity and whether a change to working hours is needed temporarily to enable the volunteering to take place. Reasonable requests will be approved by the line manager, however they could be declined if there are health & safety concerns, concern over the impact on the delivery of service objectives or the business need at the time of the volunteering, or if there is a conflict of interest.
- 2.6 As with any initiative of this kind, it is virtually impossible to know what percentage take up will be seen once this policy is launched to staff. However, as in each instance there is a maximum of 2 days per year, there will be no option to arrange work cover for the individual for that time period.
- 2.7 It is proposed to bring a review back to personnel committee in April 2022 to provide an update on the first year of implementation. After that date, subject to committee agreement, the policy will be reviewed every 3 years or sooner should any legislation require a change to the content.
- 2.8 Having reviewed the local position, Ashford Borough Council do have a similar policy which they have not yet formally launched to staff which will enable them to have up to 3 days paid leave for volunteering each year. Maidstone and Swale councils provide for up to 2 days per year

volunteering. From the information gathered so far, Canterbury City, Dover District and Thanet District Councils do not operate a policy of this kind.

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.

4.2 Finance Officer's Comments (LH)

There are no financial implications arising directly out of this report.

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:

Andrina Smith, Chief HR Officer
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 – Employer Supported Volunteering Policy

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Folkestone & Hythe District Council

Employer Supported Volunteering Policy

1 Introduction

- 1.1 The council recognises the positive contribution that volunteers can make to communities and is keen to encourage its employees to engage in voluntary service which will help the council build stronger links between the authority, its employees and the local community.
- 1.2 In addition to the valuable contribution volunteering provides to our community it also gives employees a chance to have new experiences which can help develop skills and relationships, support wellbeing and provide valuable insights into our community which can be brought back in to the workplace.
- 1.3 This policy provides the information for those who wish to take paid volunteer leave. Additionally, managers are encouraged to support employees who volunteer outside of work (and outside of the scope of this policy), acknowledging the positive contribution this can have on our community.

2 Scope

- 2.1 This policy applies to all employees of Folkestone & Hythe District Council, with the exception of casual and zero hours workers, and enables employees to take paid time off to undertake volunteering during their normal working hours.
- 2.2 Voluntary activity can be defined as 'any activity that involves spending time doing something that aims to benefit the environment or someone (individuals or groups) other than, or in addition to, close relatives' (National Council for Voluntary Organisations).
- 2.3 Volunteering must be a choice freely made by each individual. Whilst employees will be in receipt of their contractual pay when volunteering, they must not receive payment (apart from potentially claiming expenses) from the organisation where they choose to volunteer.
- 2.4 The council recognises the benefit of giving time to help local communities. Employees can receive time off in addition to the main provisions of this policy for certain public service activities. Provisions will (at a minimum) be in line with statutory requirements when employees volunteer for public duties with the detail agreed by line managers. Such opportunities can include:
 - **School governor responsibilities** – employees will be granted leave of a half day per term (3 terms per year) with pay.
 - **Service in non-regular forces (reservists)** – employees who are reservists will be able to take two weeks of additional paid leave per

year to allow them to attend the annual training camp or similar activity.

- **Magistrate responsibilities, including youth offender panels** – employees can take up to 18 days with pay for magisterial duties, with an additional 4 days for their induction training.
- **Special constables & retained firefighters** – up to 10 days paid leave will be granted for training that cannot be taken outside of working time.

3. Individual Volunteering Activities

- 3.1 Volunteering activity will normally take place within the Folkestone & Hythe District. Volunteering outside of the district under this policy will only be considered on an exceptional basis with approval from the Chief Executive.
- 3.2 Individual volunteering can cover a number of activities such as care work, conservation projects and fundraising. The opportunities do not necessarily need to be related to an employee's current role or skills, they can be a chance to try something new. Alternatively, employees may want to use their expertise to help those who may not usually have access to specialist skills.
- 3.3 Individuals are encouraged to identify volunteering activities for themselves however we will also use internal communications to highlight any opportunities that we are made aware of.
- 3.4 Any expenses (e.g. travel) to be claimed as a result of the volunteering must be agreed and raised with the volunteer organisation. The council will not reimburse any expenses incurred, however reasonable access to council resources (e.g. mobile phone) will be allowed.
- 3.5 Should a Disclosure and Barring Service (DBS) check be required for the voluntary role, this will be the responsibility of the host organisation.

4. Time Allowance

- 4.1 Up to two days paid leave per year is available to undertake volunteering work, pro rata for part time employees.
- 4.2 Volunteer leave can be used flexibly, for example half a day at a time. There is no requirement to use the 2 days at the same time, nor for the same activity / host organisation.
- 4.3 On occasion, the council may invite employees to volunteer at local events, for example marshalling an event. In these circumstances, separate application processes will apply and the time granted will be determined on a case by case basis by the Corporate Leadership Team in conjunction with the Chief HR Officer.

5. Team Volunteering

- 5.1 Teams may wish to volunteer together to assist their team development whilst contributing to projects or activities within the district. Activities should last for a maximum of one day and be suitable for all team members to participate in.

6. Applying for Leave

- 6.1 Approval for leave rests with line managers. Before submitting any request this must be discussed with your line manager.
- 6.2 When submitting an application for volunteering, the employee will need to confirm:
- Details of the host organisation;
 - The nature of the activities that the employee will undertake;
 - The times / dates that the employee is proposing to volunteer; and
 - Whether a change to their working pattern is being requested (and if so, the details of the change).

Proof of the volunteering activity may be requested.

- 6.3 Reasonable requests for volunteer leave will be approved, however the request could be declined if:
- There are health & safety concerns;
 - There are concerns of the impact on the delivery of the council's team / service objective or business need at the time of the volunteering activity; or
 - There is a potential conflict of interest with your role or the Council's interests e.g. political campaigning.

Line managers must ensure that HR are aware of agreed volunteering requests.

- 6.4 If an employee feels that their request has been rejected wrongly then they can ask for a review by outlining their reasons in writing and sending this to their line manager's manager. Following this review there will be no further right of appeal.

7. Responsibilities

- 7.1 Employees are trusted to use this time for its intended purpose. Any suspected instances of misuse will be investigated in accordance with the Council's disciplinary procedures. As representatives of the Council their actions will directly reflect on the organisation. Therefore, all employees must act in line with the Employee Code of Conduct whilst using volunteering leave. Any concerns with an employee's conduct whilst volunteering will also be investigated in line with the Council's disciplinary procedures.

- 7.2 It is the manager's responsibility to be satisfied that the employee has considered and accepted any risks associated with the proposed volunteering activity. The council will not be liable for damages or injuries that occur whilst volunteering.
- 7.3 It is the employee's responsibility to ensure that the host organisation has its own Public Liability Insurance in place. Employees must abide by the health and safety procedures for the host organisation.

Document Control			
Date effective from	February 2021	Owner	Chief HR Officer
Approval Date	4 February 2021	Approval By	Personnel Committee
Review Date	First review to take place in April 2022 and then every three years (or earlier where there is a change in the applicable law)		

Version Control			
Version	Type of Change	Date	Revisions from previous issues
1.0	New Policy	Jan 2021	First version of a new policy

This Report will be made public on 25 January 2021

Agenda Item 5

Folkestone
& Hythe



District Council

Report Number **P/20/08**

To: Personnel Committee
Date: 4th February 2021
Status: Non-executive Decision
Chief Officer: Andrina Smith, Chief HR Officer

SUBJECT: PAY POLICY STATEMENT 2021/22

SUMMARY: This report presents the pay policy statement for 2021/22 for approval and recommendation to council.

REASONS FOR RECOMMENDATIONS:

Personnel Committee is asked to note the contents of the report.

RECOMMENDATIONS:

1. To receive and note Report P/20/08.
2. To recommend to council that it approve under S38(1) Localism Act 2011 the Pay Policy Statement appended to this report for 2021/22.

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 is proposed to be updated, adopted and published by the end of March each year.

2. PAY POLICY

- 2.1 The draft Pay Policy Statement for 2021-22 is attached as **Appendix A**. This is based on:

- The Department of Communities and Local Government's (DCLG)** Statutory Guidance Under Section 40 of the Localism Act, Openness and Accountability in Local Pay, published at February 2012,
- The Department of Communities and Local Government's (DCLG) Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act 2011 – Supplementary Guidance, published February 2013,
- Guidance from the Local Government Association.

** The Department of Communities and Local Government (DCLG) is now known as the Ministry of Housing, Communities & Local Government however the guidance documents still bear the DCLG name.

- 2.2 The DCLG Guidance confirms that councils are not 'required to use the pay policy (statement) to publish specific numerical data on pay and reward' however it should be noted that the council is required to publish certain salary information under the Code of Recommended Practice for Local Authorities on Data Transparency and by the Accounts and Audit (England) Regulations 2011.
- 2.3 The Guidance further states that the Localism Act requires authorities to explain what they think the relationship should be between the remuneration of its Chief Officers and its employees who are not Chief Officers. The pay policy statement therefore explains the 'relationship' in terms of the grading systems used and by reference to the requirements set out in paragraph 2.2 above.
- 2.4 Paragraph 5 of the Pay Policy Statement has been updated for 2021/22 to reference and provide clarity over the definition of 'chief officer' back to the Local Government and Housing Act 1998.
- 2.5 In addition, paragraph 38 of the Pay Policy Statement has been updated to reflect the introduction of the exit pay cap at the end of 2020.
- 2.6 The changes outlined in 2.4 and 2.5 above are the only substantial changes made to the statement since its previous approval by council in March 2020, with the exception of updating dates in the relevant sections.

- 2.7 At the time of writing this report no further updated guidance notes have been issued by the MHCLG (DCLG), however should an update be issued that requires an amendment to the attached pay policy statement for 2021-22 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 (LH)

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:

Andrina Smith, Chief HR Officer

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 2021-22

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Folkestone & Hythe District Council
Pay Policy Statement – Financial Year 2021-22

Purpose

1. This Pay Policy Statement is provided in accordance with Section 38(1) of the Localism Act 2011. This will be updated annually, or more frequently, i.e. by the end of March each year. Approval of the Pay Policy, and any amendments, will be made by resolution of the full council.
2. This pay policy statement sets out Folkestone & Hythe District Council's (FHDC) policies relating to the pay of its workforce for the financial year 2021-22. In particular the:
 - Remuneration of its Chief Officers
 - Remuneration of its "lowest paid employees"
 - Relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers

Definitions

3. For the purpose of this pay policy the following definitions will apply:
4. **Pay/remuneration** includes salary (for employees) or payment under a contract of services (for self employed), expenses, bonuses, performance related pay, 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. For the purposes of this Pay Policy, '**Chief Officer**' refers to the following roles within FHDC as defined within section 2 of the Local Government and Housing Act 1988:
 - Chief Executive (Head of Paid Service)* (statutory Chief Officer)
 - Director – Corporate Services* (non-statutory Chief Officer)
 - Director – Place* (non-statutory Chief Officer)
 - Director – Housing & Operations* (non-statutory Chief Officer)
 - Director – Transformation & Transition (non-statutory Chief Officer)
 - Development Director (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.

* Members of the Council's Corporate Leadership Team (CLT).

** This role is currently undertaken by the Director – Corporate Services.

*** This role is currently undertaken by the Assistant Director – Governance and Law.

6. **'Lowest paid employees'** refers to those staff employed within grade B of the Council's pay framework. There are no staff governed by National consultation groups. This definition for the "lowest paid employees" has been adopted because grade B is the lowest grade on the Council's pay framework.
7. **'Employee who is not a Chief Officer'** refers to all staff who are not covered under the 'Chief Officer' group above. This includes the 'lowest paid employees' i.e. staff on grade B. There are no staff governed by National consultation groups.

Pay framework and remuneration levels

General approach

8. Remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to fulfilling the council's business objectives and delivering services to the public. This has to be balanced by ensuring remuneration is not, nor is seen to be, unnecessarily excessive. Each council:
 - Has responsibility for balancing these factors;
 - Faces its own unique challenges and opportunities in doing so; and
 - Retains flexibility to cope with various circumstances that may arise that might necessitate the use of market supplements or other such mechanisms for individual categories of posts where appropriate.
9. FHDC will be transparent on pay rises including the publication, on the Council's website, of any above inflation pay rises. The size of the award paid to employee(s) should be commensurate with the work being rewarded. Advice and guidance is available to decision takers on this including with regard to equal pay provisions.

Responsibility for decisions on remuneration

10. It is essential for good governance that decisions on pay and reward packages for the Chief Executive and chief officers are made in an open and accountable way and that there is a verified and accountable process for recommending the levels of top salaries. FHDC will review the terms of senior appointments, to ensure value for money, including where arrangements could be perceived as seeking to minimise tax payments.
11. The pay for the "lowest paid employees" and "all other employees who are not Chief Officers" is determined by the Personnel Committee. The Personnel Committee comprises elected Councillors, and is formed in accordance with the rules governing proportionality and has responsibility for local terms and conditions of employment for staff within FHDC's pay framework.
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
 - With effect from September 2015, local pay determination for Chief Officers who are members of the Corporate Leadership Team. The pay will be

determined by the Remuneration Committee comprising members of the Personnel Committee with external independent advice.

13. Full Council will be offered the opportunity to vote on salary packages, at the time of an employee's appointment, which are greater than £100,000 a year. 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.

Salary grades and grading framework for 'all other employees who are not Chief Officers'.

14. 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.
15. 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 will be on one of the 11 grades based on the job evaluation of their role. Employees can progress to the salary range maximum of their grade by annual progression and subject to assessment of their performance in the process.
16. Pay awards are considered annually for all employees with the exception of the Chief Executive and Directors, 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 to 'all other employees who are not Chief Officers' was made at April 2020.
17. The pay for the Chief Executive and Director roles is subject to local pay negotiation, with the most recent pay award being April 2017. However, following a benchmarking exercise, Personnel Committee approved new pay scales for these roles in June 2019.
18. 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.
19. The posts with a current salary package above £100,000 are the Chief Executive and Directors.

'Chief Officers' who are Assistant Directors

20. Pay for Assistant Directors is within the main pay framework, at grade L, and they are treated in accordance with the arrangements detailed above for 'lowest paid employees' and 'all other employees who are not Chief Officers'. Pay is determined by the Personnel Committee in accordance with arrangements detailed

above for the 'lowest paid employees' and 'all other employees who are not chief officers'.

'Lowest paid employees'

21. Each "lowest paid employee" is paid within the salary range for grade B with due regard paid to the National Living Wage which was introduced in April 2016.

Allowances

22. There is no provision for bonus payments for the 'lowest paid employees', for 'employees who are not Chief Officers' or for 'Chief Officers'.
23. In addition to incremental progression, FHDC provides the following additional payment schemes to the main scheme for 'employees who are not Chief Officers' and Assistant Directors. These schemes include:
- When temporarily undertaking additional duties e.g. the full, or a proportion of, the duties of a higher graded post
 - Honorarium e.g. for exceptional level of performance
 - Allowances e.g. for additional hours, weekend and/or public holiday working, disturbance, eye tests, tools, telephone use, emergency co-ordination, first aid, car and standby
 - Additional and accelerated increments e.g. for exam success and consistent exceptional performance. This is subject to the maximum of the scale not being exceeded.
 - Childcare vouchers (for those enrolled in a scheme prior to October 2018)
24. FHDC provides a car allowance for Directors and the Chief Executive.
25. FHDC has the flexibility to introduce additional schemes if required and to respond to changing conditions in the employment market including skills shortage.

Other pay elements

26. 'Chief Officers' (Chief Executive and Directors) are performance managed differently from the performance management process applying to the 'lowest paid employees' and 'employees who are not Chief Officers'. This includes input from, and assessment by, identified FHDC Members.
27. Targets are set and performance against those targets is assessed. Chief Officers receive incremental progression until the top of their grade is reached. Where pay progression is considered, performance will be taken into account when determining whether any award will be made.

Charges, fees or allowances

28. Any allowance, or other payments, will only be made to staff in connection with their role and/or the patterns of hours they work and must be in accordance with the Council's internal Pay Policy statement which explains related procedure and practice.

29. 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 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.
30. Employees receive Election Fees when participating.

Benefits in kind

31. The Council offers a discount at Folkestone Sport Centre Trust and a free swim at Hythe Pool.

Other Employee Benefits

32. The Council provides access to an Employee Assistance Programme which provides telephone and face to face counselling on a range of issues. The Council also has access to an Occupational Health Service which helps to ensure that employees are properly supported enabling a return to work following an absence as soon as possible.
33. An employee recognition scheme runs quarterly which recognises individual and team achievements across the council based on the core values plus a separate award for the employee of the year. In addition it also recognises long service with the first level of recognition at 5 years and then every five years thereafter. Employees recognised under these scheme receive a choice of vouchers or donation to charity.
34. Employees are able to register with F&H Rewards, provided by Reward Gateway, which is a voluntary online platform providing access to discounts for high street / online shopping, holidays, insurance and household goods.
35. 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.

Pension

36. As a result of their employment, all employees are eligible to join the Local Government Pension Scheme. There are no locally agreed enhancements. With the exclusion of the Head of Paid Service responsibility, any such enhancements would be at the discretion of the Personnel Committee. In relation to the Head of Paid Service responsibility, any such enhancements would be at the discretion, and with the approval, of Full Council.

Severance Payments

37. 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.
38. The introduction of The Restriction of Public Sector Exit Payments Regulations 2020 means that the council now cannot authorise exit payments in excess of £95,000. The exit payment includes redundancy payments and pension strain payments. Discretionary waivers to the £95,000 cap do exist for exceptional situations where imposing the cap would cause genuine hardship. This discretion can only be exercised by a Minister of the Crown providing delegated responsibility to the council who would submit a business case to HM Treasury. For further guidance provided by HM Treasury on exit payments [click here](#). Should this situation ever arise, the business case for a waiver will be presented to Personnel Committee for recommendation to Full Council for approval.
39. 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.
40. 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.

New starters joining the Council

41. 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.
42. Employees new to the Council will normally be appointed to the first point of the salary range for their grade. Where the candidate's current employment package would make the first point of the salary range unattractive (and this can be

demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a higher salary may be considered by the recruiting manager, with guidance from the HR department. This will be within the salary range for the grade. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary range.

43. In professions where there is a particular skills shortage, and as a temporary arrangement, it may be necessary to consider a market premium to attract high quality applicants. With senior manager salaries, there can be scope for negotiation over the exact starting salary at the point of job offer, and a range of factors will be considered. The final decision as regards any discretion lies with members of the Corporate Leadership Team.
44. 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.

Relationship between remuneration of “Chief Officers” and “employees who are not Chief Officers”

45. 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.
46. 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
 - Exit package disclosures
47. Information on pay will be published on the FHDC website, as follows and by:
 - 1 June – the Pay Multiple figure and information on senior salaries
 - 30 September – the accounts as audited by the Council's external auditors.

Conclusion

48. This pay policy statement, once approved by Full Council, will be published on the Council's public website.
49. This statement is for the financial year 1st April 2021 – 31st March 2022.
50. 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.

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This Report will be made public on 26 January 2021

Report Number **P/20/09**

To: Personnel Committee
Date: 4th February 2021
Status: Non-executive Decision
Chief Officer: Andrina Smith

SUBJECT: REMOVAL OF THE ESSENTIAL USER ALLOWANCE

SUMMARY: This report provides the committee with a proposal which removes the essential car user allowance and associated mileage rates for all staff (as per the commitment reached in the 2016/17 pay settlement), but also ensures that the few members of staff who do travel extensively across the district on council business are not heavily impacted in a negative way.

REASONS FOR RECOMMENDATIONS:

The intention to remove the essential car allowance was agreed as part of a previous round of pay negotiations however the recommendation here is to ensure staff are not negatively affected by the implementation of a previous decision.

RECOMMENDATIONS:

1. To receive and note Report P/20/09;
2. To remove the essential car user allowance on a phased 3 year basis with mileage reimbursed at HMRC rates from 1 April 2021;
3. To rename the current Cash Alternative Scheme as the Car Allowance Scheme from 1 April 2021.
4. To introduce a new level to the Car Allowance Scheme from 1 April 2021.

1. INTRODUCTION

1.1 The council has historically had a number of different mileage schemes which linked back to the National Joint Council (NJC) national agreement on pay and conditions of service for local government which was last updated in May 2018:

- Cash Alternative Scheme
- Essential User
- Casual User

These schemes remained in place when the council took a decision to move onto local pay negotiations.

2. BACKGROUND

2.1 As part of the pay negotiations for the pay award in 2013/2014 the intention was clearly stated to review the application and validity of the essential user allowance and associated mileage with a view to moving to the HMRC rates of mileage reimbursement, although no time limit was expressly stated in the agreement.

During the pay negotiations for 2016/17 the employers' side offer clearly stated a 'recommitment to review the validity of the essential user scheme and mileage over the next 18 months'.

More recently, during the 2018/19 negotiations for a 2-year pay award the employers' side offer stated 'the removal of the essential car user allowance and current essential & casual user mileage rate reimbursements in favour of using the HMRC mileage rates as job roles are defined and recruited to during the Transforming Shepway programme with the understanding that these will cease by 1st April 2020'.

2.2 The detailed work on implementing this decision has been running alongside the transformation programme and as the final preparations for this were being concluded a few members of staff were identified as being heavily negatively impacted by this decision due to their roles continuing to require extensive travel across the district.

2.3 At the end of March 2020, the Leader of the Council agreed with the Chief Executive to delay the implementation of these changes to allow time for this report to be prepared and presented to the Personnel Committee setting out options for the way forward.

2.4 There are currently 46 members of staff on the essential user scheme. They receive £1,239 per annum paid in equal monthly instalments plus are entitled to claim up to 50.5p per mile depending on the engine size of their vehicle.

By removing the essential car allowance in totality there would be a budget saving in excess of £55,000 per annum.

2.5 During the detailed work, it was identified by HR that 3 members of staff should have been on the council's Cash Alternative Scheme as they have exceeded the threshold and regularly undertake in excess of 4,000 miles each year. These members of staff have now been moved to the correct scheme and do not feature within the data referred to in this report.

2.6 In addition, during the detailed work it became clear that there are a considerable number of staff (31 for the 2019/20 financial year) who are claiming less than 1,200 miles per year which indicates they are travelling on average less than 23 miles per week for work reasons. It could be argued that these roles should not attract an essential user payment and that the council has been making payments that could be deemed unnecessary.

3. CURRENT SCHEMES

3.1 Essential User Allowance

Essential Users are defined within the NJC National Agreement as being 'those whose duties are of such a nature that it is essential for them to have a car at their disposal whenever required. If the employee uses a private car in carrying out those official duties then they shall be entitled to receive a lump sum and agreed mileage rates (Part 3 Section 6).

The mileage rates linked to essential users was last updated by the NJC in 2011 and for the first 8,500 miles each year an employee can claim 50.5p per mile (dependent upon the engine size of their car) with an annual lump sum of £1,239 paid in equal monthly instalments of £103.25.

3.2 As far back as 2014 the Local Government Association (LGA) carried out a survey on terms and conditions that formed Part 3 of the NJC National Agreement, and the findings indicated that nearly 40% of councils were moving away from the Essential User scheme and applying HMRC mileage rates for any claims. The pay negotiations referred to in section 2.1 of this report were reflecting a distinct national trend at the time.

3.3 Cash Alternative Scheme

The cash alternative scheme is offered on the basis of a 3 year renewable contract, subject to eligibility. Any officer who is graded H and above on the council pay scales are automatically entitled to join the scheme. Any other officer who travels in excess of 4,000 miles annually are eligible to apply to join this scheme.

There are currently 55 staff entitled to one of 3 levels of payments associated with this scheme (not including the Corporate Leadership Team):

- £4,236 per annum for those at Grade J, K & L of the pay scales (10 staff)
- £3,900 per annum for those at Grade H & I of the pay scales (41 staff)
- £3,036 per annum for those eligible due to travelling in excess of 4,000 miles each year (4 staff).

The associated mileage rate for the cash alternative scheme is 18p per mile.

3.4 The Cash Alternative Scheme is now often referred to as the car allowance scheme as there is no longer an alternative. Historically, there would have been an option to enter into a contract for a lease car rather than receiving the 'cash alternative' as monthly payments however the lease option was removed prior to 2012 with the cash alternative scheme being left in its place.

It is recommended that this is now rebranded as being the Car Allowance Scheme which in turn matches the terminology used for Directors and the Chief Executive who are in receipt of a car allowance.

4. PROPOSAL FOR CONSIDERATION

- 4.1 The detailed work reviewing mileage claims has shown that there are 46 staff that are currently in receipt of the essential user allowance. For the few staff (10 identified in 2019/20) who regularly do in excess of 1,800 miles per annum due to the nature of their roles, the effect of moving to HMRC rates would be substantial. These staff members are mainly working in the Grounds Maintenance service area and Building Control and are using their cars constantly during the working day / week.

The relevant data can be found in **Appendix A**.

On the left hand side of the appendix the mileage claimed during 2019/20 for each member of staff receiving the essential user allowance (anonymised data) is shown. In addition the payment received by each of these members of staff is shown in the columns shaded in light blue which provides the essential user amount added together with the 2019/20 mileage rate to give a total for each individual. The impact of removing the essential user allowance and moving to HMRC mileage rates is shown in the columns shaded in peach.

- 4.2 In order to progress the original proposals to remove the essential user allowance the following solutions (4.2.1 – 4.2.3 below) are recommended to personnel committee for consideration:

- 4.2.1 The introduction of a new element to the existing cash alternative scheme which would enable staff to apply annually each April for the cash alternative payments if they travel in excess of 1,800 miles per annum. This can be verified very easily by a simple report on the previous financial years mileage claims taken from the payroll system. This mileage level is suggested as it implies travel in excess of 150 miles per month on average.

The suggested amount for this would be £1,800 per annum (£150 per month) with mileage reimbursed at the cash alternative rate of 18p per mile.

Based on the data from 2019/20 this element would be applicable to those staff highlighted in yellow on Appendix A.

- 4.2.2 The removal of the essential user allowance from the remaining 36 staff to be implemented over a 3 year period based on the current pay protection arrangements that currently exist within council policies.

The phased implementation would be as follows:

2021/22 – essential user allowance continues at 100%

2022/23 – essential user allowance reduced to 75% of the current amount

2023/24 – essential user allowance reduced to 25% of the current amount

Therefore by April 2024 essential user allowance will be removed.

It should be noted that no new members of staff are receiving the essential user allowance.

- 4.2.3 All mileage will be reimbursed at the HMRC mileage rate which is currently 45p per mile for the first 10,000 miles, with the exception of car allowance mileage which is reimbursed at 18p per mile.
- 4.3 Following Cabinet's consideration of report C/20/70 on 20 January 2020 work will be undertaken during 2021 in relation to identifying a customer access point in Folkestone and the relocation of the civic offices during 2023/24 at the earliest. This will undoubtedly result in a fundamental review of team and individual working practices across the council and lead to changes in the terms of conditions contained within our employment contracts, particularly if base locations change and home working is adopted on a more permanent basis. These changes will be considered through the Council's Managing Organisational Change procedures with regular consultation with unions and engagement with staff.

This does however provide an opportunity to review all the elements related to staff travelling to and for work including car allowances, mileage reimbursement, greener more sustainable travel being incentivised, car sharing benefits etc.

It is proposed that this work will start during 2021/22 with updates and progress being shared with this committee.

5. IMPACT OF COVID-19

- 5.1 Since 16 March 2020 the Civic Centre in Folkestone has been closed to staff meaning the vast majority of our staff have been working from home. This has provided an opportunity to review our ways of working within each team to ensure that our services continued to be delivered effectively throughout the period of lockdown and beyond. This change in the way that we work has inevitably brought a reduction to the mileage being claimed during this financial year as working practices have altered significantly. At the time of writing this report, expectations are that staff will be encouraged to continue working remotely wherever possible.
- 5.2 It is clear from data gathered independently from this report that the mileage claimed has dropped considerably and an update on total miles claimed by the members of staff currently in receipt of the essential user allowance will be provided at the committee meeting. However, the individuals at the top of the list (numbers 3 to 12) have still claimed substantial miles over the last 9 months which when forecast to the full year still shows they are regularly driving across the district. This data would clearly indicate that there is an essential need for these individuals to be mobile with a vehicle at all times.
- 5.3 By contrast, having compared a random sample of the rest of the staff (numbers 14 to 49) currently receiving the essential user allowance it is clear that in the majority of instances substantially fewer miles have been claimed which would support the proposal of removing the essential user allowance for all staff but introducing a different allowance for those who do regularly need their vehicle and claim regular high numbers of mileage.

6. LEGAL / FINANCIAL AND OTHER CONTROLS / POLICY MATTERS

6.1 Legal Officers Comments (AK)

There are no legal comments arising directly from this report.

6.2 Finance Officers Comments (LH)

The financial implications are contained within the body of this report.

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:

Susan Priest – Chief Executive
Email: susan.priest@folkestone-hythe.gov.uk

Andrina Smith – Chief HR Officer
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

APPENDICES:

Appendix A – Mileage costings based on 2019/2020

Staff Number	Mileage 2019/20	2019/20 Financial Year			HMRC mileage only		New Car Allowance Element			
		Essential User	Mileage @ 50.5p	TOTAL	HMRC mileage @ 45p TOTAL	detriment	Lump sum	Mileage @ 18p	TOTAL	detriment
3	3073	1239	1552	2791	1383	1408	1800	553	2353	438
4	2958	1239	1494	2733	1331	1402	1800	532	2332	400
5	2849	1239	1439	2678	1282	1396	1800	513	2313	365
6	2540	1239	1283	2522	1143	1379	1800	457	2257	264
7	2498	1239	1262	2501	1124	1376	1800	450	2250	251
8	2419	1239	1222	2461	1089	1372	1800	435	2235	225
9	2152	1239	1087	2326	968	1357	1800	387	2187	138
10	2040	1239	1030	2269	918	1351	1800	367	2167	102
11	1950	1239	985	2224	878	1346	1800	351	2151	73
12	1904	1239	962	2201	857	1344	1800	343	2143	58
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14	1687	1239	852	2091	759	1332				
15	1654	1239	835	2074	744	1330				
16	1441	1239	728	1967	649	1318				
17	1384	1239	699	1938	623	1315				
18	1284	1239	648	1887	578	1310				
19	1175	1239	593	1832	529	1304				
20	1042	1239	526	1765	469	1296				
21	1039	1239	525	1764	468	1296				
22	955	1239	482	1721	430	1292				
23	746	1239	377	1616	336	1280				
24	730	1239	368	1607	328	1279				
25	718	1239	362	1601	323	1278				
26	707	1239	357	1596	318	1278				
27	664	1239	335	1574	299	1275				
28	625	1239	316	1555	281	1273				
29	610	1239	308	1547	274	1273				
30	586	1239	296	1535	264	1271				
31	581	1239	293	1532	261	1271				
32	574	1239	290	1529	258	1271				
33	544	1239	275	1514	245	1269				
34	534	1239	270	1509	240	1268				
35	432	1239	218	1457	194	1263				
36	430	1239	217	1456	193	1263				
37	362	1239	183	1422	163	1259				
38	352	1239	178	1417	158	1258				
39	326	1239	164	1403	147	1257				
40	284	1239	144	1383	128	1255				
41	234	1239	118	1357	105	1252				
42	227	1239	115	1354	102	1251				
43	204	1239	103	1342	92	1250				
44	155	1239	78	1317	70	1248				
45	120	1239	61	1300	54	1246				
46	96	1239	48	1287	43	1244				
47	95	1239	48	1287	43	1244				
48	73	1239	37	1276	33	1243				
49	65	1239	33	1272	29	1243				

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