

Ringwood Town Council

Ringwood Gateway, The Furlong, Ringwood, Hampshire BH24 1AT

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STAFFING COMMITTEE

Dear Member

13th June 2019

A meeting of the Staffing Committee will be held in The Forest Suite, Ringwood Gateway, The Furlong, Ringwood on **Wednesday 19th June 2019** at 9.15am.

Mr C. Wilkins
Town Clerk

AGENDA

1. PUBLIC PARTICIPATION

There will be an opportunity for public participation for a period of up to 15 minutes at the start of the meeting

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

4. MINUTES OF THE PREVIOUS MEETING

To approve as a correct record the minutes of the meeting held on 22nd August 2018

5. PAY POLICY

To consider the Town Clerk's report (*Report A*)

6. PENSION POLICY

To consider the Town Clerks' report (*Report B*)

7. EXCLUSION OF THE PRESS AND PUBLIC

To consider exclusion of the press and public from the meeting, in accordance with the Public Bodies (Admission to Meetings) Act 1960, section 1(2), to transact business for which publicity would be prejudicial to the public interest by reason of its confidential nature (staffing matters)

8. OFFICE MANAGER POSITION

To consider the Town Clerk's report (*Confidential Report C*)

9. EXTENDED SICKNESS ABSENCE OF GROUNDSMAN

To consider the Town Clerk's report (*Confidential Report D*)

If you would like further information on any of the agenda items, please contact Chris Wilkins, Town Clerk on (01425) 484720 or email chris.wilkins@ringwood.gov.uk.

Committee Members

Cllr Tony Ring – Town Mayor
Cllr Jeremy Heron – Chairman of Policy and Finance Committee
Cllr Philip Day
Cllr John Haywood
Cllr Gloria O'Reilly

Officer

Chris Wilkins, Town Clerk
Jo Hurd, Deputy Town Clerk

Copied by e-mail to other Members for information

STAFFING COMMITTEE

19 June 2019

Report on Pay Policy

1. Introduction and reason for report

1.1 Officers seek guidance from members on the awarding of pay increments.

2. Background information, options, impact assessment and risks

2.1 The pay of Council employees is linked to the scale negotiated and agreed by the National Joint Council for Local Government Services (NJC). In most cases, members approved a salary range comprising between 4 and 6 points on the NJC scale when they approved the creation of each post or a fresh recruitment to it. Generally, appointees to posts are assigned to a point on the range, which is agreed at the point of recruitment. (The main exceptions are posts arising from a TUPE transfer, which have a single pay point only).

2.2 The custom has developed of awarding every employee one “increment” (i.e. upward movement of one point on the scale) automatically (i.e. without any discussion or decision by members) every 1st April until the top point on the scale is reached. However, there is nothing in staff contracts nor the Green Book, which provides for this nor is it provided for in any written policy. Because the process has been automatic, increments have not been explicitly linked to appraisal of employee performance.

2.3 Members exercise a slightly greater degree of supervision of the Town Clerk’s performance and pay in that, typically, two councillors will be appointed to meet with him and report back, but the process is relatively informal. No mechanism exists for members generally to discuss and agree anything in the nature of formal objectives, goals or key performance indicators so, obviously, pay cannot be linked to their attainment. In recent years the Town Clerk has been left, in effect, to include himself in the general award of increments described in 2.2 above unless (as happened in the last annual cycle) an *ad hoc* proposal from members led to a specific debate on the subject.

2.4 Given the importance of pay both to employees and to the Council (it forms more than half the Council’s revenue budget) it would be more appropriate if members were to approve clear rules for the awarding of increments as part of a formal Pay Policy. Officers have therefore prepared such a policy and this is attached in draft for consideration by members. This largely reflects current practice but clarifies it in several important respects. Members are not bound to approve either the principles or the details contained in the draft but departing radically from current practice would raise issues that it would be prudent to seek advice upon before seeking to implement the change.

2.5 The draft policy has been framed so as to allow members now (or at a future date) to negotiate a more structured approach to the performance appraisal and pay review of the Town Clerk with him if they see fit.

3. Issues for decision and any recommendations

3.1 Are members content to recommend approval and adoption of the Pay Policy?

3.2 Do members wish to recommend that arrangements for the performance appraisal and pay review of the Town Clerk be negotiated with him?

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NOTE: In view of their obvious personal financial interest in this item, officers have refrained from offering recommendations and will leave the room to enable members to discuss it and agree their recommendations in private.

For further information, contact:

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Ringwood Town Council

Pay Policy

Adopted on: *[insert date of member approval]*

1. Introduction

This Policy contains the principles and practices to be observed with regard to the pay of Council employees and workers:

- ∩ whenever a paid post is created or reviewed prior to recruitment;
- ∩ when an appointment is made to a paid post
- ∩ whenever pay is reviewed either as part of a general annual review or an interim review;
- ∩ a post is being re-graded; or
- ∩ in any other situation involving an issue of pay or pay review.

This policy does not apply to payments under contracts for services as distinct from contracts of service.

2. Pay and pay scales

- 2.1 Pay shall be linked to the scale promulgated from time to time by the National Joint Council for Local Government Services with the annual pay (or its hourly equivalent) for each post-holder being set at one of the points on that scale.
- 2.2 No paid post shall be created nor any new appointment made to an existing paid post without the prior approval of councillors. Save in the case of a post arising from the transfer of an employee with protected rights or other exceptional circumstance, councillors shall specify a range of at least [4] pay points on the NJC scale to the post.

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- 2.3 From recruitment or appointment, employees shall be paid at the lowest point on the relevant range unless a higher point is agreed having regard to prior experience, fulfilment of desirable criteria set out in the person specification or other relevant factors.
- 2.4 Any employee who has worked for the Council for at least six months shall be entitled to apply for their post to be re-graded for pay purposes at any time PROVIDED THAT no post shall be re-graded more than once in any three-year period unless there has been a material change in the duties required or level of responsibility carried since the current grade was set.

3. Pay review

- 3.1 Changes to pay figures agreed by NJC shall be applied to the pay of employees as agreed by NJC. Any shortfalls in pay arising from back-dated increases in pay shall be paid (without interest) as soon as practicable.
- 3.2 Subject to clauses 3.3, 3.4, 4 and 5 below, each employee shall be awarded one increment (that is, their pay shall move one point up the scale relating to their post) with effect from 1st April every year unless and until their pay has reached the top point on the scale for their post.
- 3.3 Whenever the 1st April falls within the probationary period of an employee, the increment described in clause 3.2 shall not take effect unless and until satisfactory completion of that probationary period (or any extension of it).
- 3.4 If the Town Clerk considers (after consultation with any separate line manager involved) that the performance of an employee has:
 - 3.4.1 fallen seriously below the standard expected, he may with-hold the increment that would otherwise be awarded by virtue of clause 3.2 above; or
 - 3.4.2 greatly exceeded the standard expected, he may award a second increment in addition to that awarded by virtue of clause 3.2 above (PROVIDED THAT in no circumstances shall the Town Clerk award such a second increment to himself).

In either case, an employee aggrieved by the decision of the Town Clerk may appeal that decision to the Council's Staffing Committee by giving notice of such desire to the Town Clerk. The Town Clerk must then arrange a meeting of the Staffing Committee which will then

decide whether to uphold the decision of the Town Clerk or substitute a decision of its own. At any such meeting, the Town Clerk will act as presenting officer and the Deputy Town Clerk will act as clerk to the committee (unless the Deputy Town Clerk is the aggrieved employee, in which case the services of an independent person will be arranged).

4. Changes to the NJC Scale

- 4.1 From time to time changes are made to the structure of the NJC scale and this can lead to uncertainty as to how an increment is to be applied when it coincides with such a change. In such circumstances, the following rules are to apply.
- 4.2 If the pay point for a post is abolished altogether or amalgamated with one or more other pay points, then on the effective date of the change, the pay for that post is to be increased to the next highest pay point on the new scale and no other increment is to be awarded.
- 4.3 If one or more additional pay points are created within a pre-existing range of points, any increment awarded to the holder of a post affected shall apply to the points on the new scale.
- 4.4 The provisions of clauses 3.3 and 3.4 above shall apply *mutatis mutandis* and any employee aggrieved by the outcome of the application of these rules shall have the same right of appeal described in clause 3.4 above.

5. Application to the Town Clerk

- 5.1 The provisions of clauses 2, 3.1, 3.2, 3.3 and 4 shall apply to the Town Clerk unless the Council agrees alternative arrangements with the Town Clerk.

STAFFING COMMITTEE**19 June 2019****Report on Pension Eligibility Policy****1. Introduction and reason for report**

- 1.1 Uncertainties have arisen about eligibility of some new employees for enrolment to the Council's chosen pension scheme on which officers need guidance from members.

2. Background information, options, impact assessment and risks

- 2.1 Like any other employer, the Council is required to comply with legal obligations to enrol employees in a pension scheme, commonly called "auto-enrolment". It has also adopted as policy that all employees will be engaged on the standard terms of employment commonly called the "Green Book". In 2013 the Council resolved (by way of confirmation of previous decisions) to enrol all "eligible" employees in the Local Government Pension Scheme (LGPS) as administered by Hampshire Pension Fund.

- 2.2 "Auto-enrolment" specifies certain classes of staff who must be enrolled and others who may ask to be. The Green Book and staff contracts are silent on the subject of eligibility for enrolment. Accordingly, staff who must be enrolled under auto-enrolment must (as matters stand) be enrolled into LGPS. However, LGPS does not define which employees are "eligible" for enrolment, leaving this to the discretion of the Council. Because, apparently, this point was not appreciated in 2013, the Council currently has no written policy on the subject.

- 2.3 The position has been complicated further by two classes of employee:

- 2.3.1 those transferred to the Council with prior entitlements; and

- 2.3.2 those recruited on terms that do not specify fixed or even minimum hours.

This has led to some variation, inconsistency and even uncertainty. (Some employees holding more than one role are enrolled for one but not the other.)

- 2.4 The Council has three options: offer to enrol the holder of every post into LGPS from day 1 of their employment; align LGPS enrolment to auto-enrolment or create a bespoke LGPS enrolment policy (meeting minimum auto-enrolment requirements).

- 2.5 Offering enrolment of every post-holder into LGPS from day 1 would be the simplest and clearest policy but it would add to the payroll expense. It would also potentially involve a lot of work for no material benefit in those cases (few but not insignificant) where employees start on very limited hours and/or relatively low pay and do not complete their probationary period or leave soon after for other reasons.

- 2.6 Aligning LGPS enrolment to auto-enrolment would be significantly more complicated. Auto-enrolment rights and duties depend on whether pay thresholds are exceeded in each pay period (so an employee with fluctuating pay may have to be enrolled one month but not the next). It might still result in an employee with more than one role being enrolled for one but not the other (and this might make it harder to attract applicants of the desired standard for certain roles).

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2.7 Creating a bespoke eligibility policy would allow greater flexibility and scope to simplify matters. It would have to meet auto-enrolment obligations, so it could not be used to avoid or defer enrolling employees who have to be enrolled under auto-enrolment. However, as an example, it could say that all employees earning more than a certain amount become eligible three months after their start date (the maximum postponement allowed under auto-enrolment). This would avoid the need for time-consuming re-assessments every month and reduce the trouble and expense associated with failed probationers. It requires the most work preparing and agreeing a policy now but saves time and money in the long run. Accordingly, this is the option that officers recommend.

3. Issues for decision and any recommendations

Do members feel able to recommend that a draft Pension Eligibility Policy be prepared by officers and, if so, are members content to approve the principles of universal eligibility (above a *de minimis* pay threshold) and maximum postponement of enrolment? (*RECOMMENDATION: Recommend approval*)

For further information, contact:

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