

# AGENDA

## Employment Panel

**Wednesday, 28 January 2015 AT 16:00  
In the Slupsk Room, Civic Centre, Carlisle, CA3 8QG**

### **Apologies for Absence**

To receive apologies for absence and notification of substitutions.

### **Declarations of Interest**

Members are invited to declare any disclosable pecuniary interests, other registrable interests and any interests, relating to any item on the agenda at this stage.

### **Public and Press**

To agree that the items of business within Part A of the agenda should be dealt with in public and that the items of business within Part B of the agenda should be dealt with in private.

### **Minutes of Previous Meetings**

To approve the minutes of the meetings held on 2 September 2014.

[Copy Minutes in Minute Book 41(3)]

## **PART A**

**To be considered when the Public and Press are present**

**A.1 PAY POLICY STATEMENT 2015/16 5 - 16**

The Director of Resources to submit a report on the Policy Statement for Senior Officers.

(Copy Report RD.54/14 herewith)

Background Paper – RD.76/13 and RD.85/13 – Policy Statement on Pay for Senior Officer reports are available on the Council’s website - <http://cmis.carlisle.gov.uk/cmis/>

**A.2 PENSION DISCRETIONS – STATEMENT OF POLICY 17 - 34**

The Director of Resources to submit a report on Pensions Discretions.

(Copy Report RD.55/14 herewith)

**A.3 REVIEW OF EMPLOYEE BENEFITS 35 - 42**

The Organisational Development Manager to submit a report reviewing all of the Employee Benefits to Carlisle City Council staff. (Copy Report CE.01/15 herewith)

**PART B**

**To be considered when the Public and Press are excluded from the meeting**

**B.1 CHIEF EXECUTIVE REMUNERATION**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

**Members of the Employment Panel**

**Conservative:** Mallinson J, Mitchelson, Bloxham (Sub), Geddes (Sub)

**Labour:** Burns, Glover, Stothard, Weber, Mrs Bradley (Sub), Ms Franklin (Sub), Mrs Martlew (Sub)

**Enquiries, requests for reports, background papers,  
etc to Lead Committee Clerk: Rachel Rooney – 817039**



# Report to Employment Panel

Agenda Item:

**A.1**

Meeting Date: 28th January 2015  
 Portfolio: Finance, Governance and Resources  
 Key Decision: No  
 Within Policy and Budget Framework: YES  
 Public / Private: Public

Title: PAY POLICY STATEMENT 2015/16  
 Report of: Director of Resources  
 Report Number: RD54/14

**Purpose / Summary:**

The Localism Act 2011 requires Authorities to produce and publish a pay policy statement for Chief Officers and to review the policy on an annual basis. The Council’s Pay Policy for 2015/16 is attached to this report for Members consideration.

**Recommendations:**

The Employment Panel:

1. approves the 2015/16 Policy Statement on Chief Officers’ Pay for recommendation to Council on 3<sup>rd</sup> March 2015;
2. delegates responsibility to the Financial Services & HR Manager to make any necessary changes to this policy, prior to Council, to take into account the decision of the Employment Panel relating to the Council’s Pension Discretions (Report RD55/14 refers).

**Tracking**

Executive:	<b>Not applicable</b>
Overview and Scrutiny:	<b>Not applicable</b>
Council:	<b>3<sup>rd</sup> March 2015</b>

## **1. BACKGROUND**

- 1.1 The Localism Act 2011 (Sections 38 to 43) introduced a requirement on all English and Welsh authorities to produce and review a pay policy statement for Chief Executives and Chief Officers for 2012/13 and for each subsequent financial year.
- 1.2 The pay policy must set out the council's policies in relation to:
- the remuneration of its chief officers;
  - the remuneration of its lowest-paid employees, and
  - the relationship between –
    - the remuneration of its chief officers, and
    - the remuneration of its employees who are not chief officers.
- 1.3 The definition of 'lowest paid employees' must be stated along with the reasoning behind adopting that definition. Policies in respect of chief officers must also be included relating to:
- The levels and elements of remuneration;
  - Remuneration on recruitment;
  - Increases and additions to remuneration;
  - The use of performance related pay;
  - the use of bonuses;
  - the approach to any payments on their ceasing to hold officer under or to be employed by council.
- 1.4 It is approved annually by full Council as recommended by the Employment Panel. Approval must be before the end of the 31 March immediately preceding the financial year to which it relates but may be amended during the year if need be, subject to Council approval.

## **2. PAY POLICY STATEMENT 2015/16**

- 2.1 The definition of 'chief officers' includes the Chief Executive, Deputy Chief Executive and Directors. The Statement attached to this report, detailing the pay and associated benefits for Chief Officers, has been amended where necessary for 2015/16 which is now subject to the approval of full Council, as recommended by the Employment Panel.

## **3. CONSULTATION**

- 3.1 None

## **4. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

4.1 The Employment Panel:

1. approves the 2015/16 Policy Statement on Chief Officers' Pay for recommendation to Council on 3<sup>rd</sup> March 2015;
2. delegates responsibility to the Financial Services & HR Manager to make any necessary changes to this policy, prior to Council, to take into account the decision of the Employment Panel relating to the Council's Pension Discretions (Report RD55/14 refers).

The Statement meets the requirements of the Localism Act. Under the Council's Constitution, the Employment Panel is responsible for recommending to Council matters relating to pay and employment conditions.

**5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

- 5.1 The Policy Statement on Chief Officers Pay exists to provide Members and the general public with a transparent framework in which Chief Officers are paid and rewarded for their work and instil confidence in the public.

**Contact Officer: Alison Taylor**

**Ext: 7290**

**Appendices attached to report: Appendix – Policy Statement on Senior Officer Pay**

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- None

**CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's – Not applicable**

**Economic Development – Not applicable**

**Governance** – S38 of the Localism Act 2011 requires that we must publish each year a pay policy statement setting out our policies relating to:

- The remuneration of Chief Officers
- The remuneration of our lowest paid officers
- The relationship between the remuneration of the Chief Officers and employees that are not Chief Officers.

The Policy must state our definition of 'lowest paid employees' together with our reasoning and it has to explain:

- CO levels on appointment/progression and increases and additions
- Performance related pay
- Bonuses
- Payment on ceasing to hold office

The Policy must be published in a manner deemed by the Council to be appropriate and this includes publication on the authority's website.

**Local Environment – Not applicable**

**Resources – Not applicable**

**CARLISLE  
CITY COUNCIL**



**[www.carlisle.gov.uk](http://www.carlisle.gov.uk)**

**PAY POLICY STATEMENT 2015/16  
FOR CHIEF OFFICERS**

# CARLISLE CITY COUNCIL

## PAY POLICY STATEMENT FOR CHIEF OFFICERS

### 1 Introduction and Purpose

- 1.1 This pay policy statement sets out Carlisle City Council's approach to pay policy in accordance with the requirements of section 38 to 43 of the Localism Act 2011
- 1.2 The purpose of this statement is to provide transparency with regard to the Council's approach to setting the pay of its employees by identifying:
- the methods by which salaries of all employees are determined;
  - the detail and level of remuneration of its most senior employees i.e. 'chief officers' as determined by relevant legislation;
  - the detail and level of remuneration of the lowest paid employees'
  - the relationship between the remuneration for highest and lowest paid employees;
  - the Panel responsible for ensuring that the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to full Council.
- 1.3 Once approved by the full Council, this policy will come into immediate effect for the 2015/16 financial year and will be subject to review again for 2016/17 in accordance with the relevant legislation prevailing at the time. Where amendments are required during the year, these will be subject to approval by full Council.

### 2 Aims and principles

- 2.1 Carlisle City Council's aim to offer a remuneration package which is fair and equitable, complies with all the relevant legislation, enables it to attract and retain quality staff that will achieve its strategic and operational objectives and is underpinned by the need to achieve value for money having regard to its financial restraints.

### 3 Definitions

The Council Senior Employees are those which fall under the definition of 'chief officers' as contained within section 43 of the Localism Act 2011. The posts within Carlisle City Council that are classified as *Chief Officers* are the Chief Executive, Deputy Chief Executive and Directors.

*Lowest paid employees* are those on grade A (£15,207 per year in April 2015). The Council uses this definition as it is the nearest equivalent to the old 'manual' grades which existed before job evaluation was used to determine pay and before Single

Status was implemented. Jobs at this level are relatively straight forward, quick to learn and require limited pre-existing knowledge.

*Employment Panel* is a politically balanced (reflecting the balance of the different parties that make up the Council) group of Councillors who are responsible for recommending to Council pay and conditions for employees.

*Multiplier* is the ratio of pay between chief officers and other employees (at full time equivalent rates) i.e. the pay for the chief officer divided by that for the lower paid employees.

#### **4 Pay Structure**

4.1 The Pay Structure and pay related allowances for all employees below Chief Officer level (except apprentices and any employee on a “permitted work” scheme) is detailed in the document *Pay Policy and Arrangements* which was approved by Council initially in November 2009, following extensive consultation with staff and updated on 01 December 2013 to implement the Living Wage increase. It is a local pay and grading structure which uses some of the nationally negotiated pay spines configured into local pay grades. Nationally negotiated cost of living awards are applied to those spine points that form part of the local pay structure.

4.2 From time to time, it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. The document *Pay Policy and Arrangements* details these.

#### **5 Senior Management Remuneration**

5.1 Terms of employment for chief officers in Carlisle City Council are derived from a number of sources:

- pay rates determined by Carlisle City Council;
- cost of living awards as negotiated nationally between the Local Government Employers Organisation and the recognised trade unions and applied to existing pay grades;
- nationally negotiated terms and conditions of employment for Chief Officers and Chief Executives as appropriate;
- policies determined and approved locally by Carlisle City Council.

#### **6 Responsibility for determining pay and allowances**

6.1 The Employment Panel is responsible for proposing the pay and grading structure to Council.

- 6.2 In the case of senior officers' pay, the Employment Panel seek advice from a suitably experienced external organisation such as North West Employers Organisation (NWEO) to inform their recommendations.
- 6.3 Pay rates (including car allowances) for the Town Clerk and Chief Executive is reviewed each time the job is vacant, and may be reviewed between these periods on a decision by the Chair of the Employment Panel following a request from the post holder. A review can result in the pay remaining the same, an increase or a decrease. Market rates for District Councils form the basis of any review. The pay rate is a single pay point, within a range, and determined on appointment by the Employment Panel and is based on experience of the successful candidate.
- 6.4 In the case of the other chief officer posts, these are reviewed when organisational structural changes take place and use the Local Authority Senior Staff job evaluation scheme to determine the rank order, and market rates for a District Council to set the pay grade. The pay grades consist of three pay points.
- 6.5 Table 1, paragraph 10, gives current pay rates.

## **7 Elements of the remuneration package for senior officers**

- 7.1 This is made up of
- actual pay as determined by the Council
  - car allowance of 9.09% of salary or participation in the Chief Executive or Chief Officer Car Lease Scheme to the same value
- 7.2 Pay for the Town Clerk and Chief Executive is a single pay point within a range plus car allowance as detailed as detailed above. This rate includes returning officer duties for elections relating to Carlisle City Council. Fees for election duties for other elections (County Council, national and European elections) are paid as an additional sum at the rate prescribed by government as and when each election occurs. The pay point may be reviewed on a decision by the Chair of the Employment Panel, following a request from the post holder.
- 7.3 Pay for the Deputy Chief Executive and Directors consists of three point scales and, subject to satisfactory performance, the officer progresses through the grade on an annual basis until the top of the grade is reached, in line with national conditions. A car allowance, as detailed above is also paid.
- 7.4 No bonuses, profit related pay or other allowances are paid as part of the regular pay. Honoraria for undertaking additional duties are only paid if the additional duties are significant.

## **8 Chief Executive and Chief Officers' Recruitment**

- 8.1 Details of the appointment process for Chief Officers and Chief Executive is set out in the Council's constitution. Recruitment is the responsibility of the Employment Panel to recommend the successful candidate to full Council for approval.
- 8.2 In the case of the Chief Executive, the Employment Panel determines the salary and takes into account the experience of the successful candidate.
- 8.3 In the case of the Deputy Chief Executive and Directors, starting salary is normally the bottom point of their grade unless there are good reasons to pay at a higher point in the scale to secure the best candidate. Such a decision is made by the Employment Panel.
- 8.4 Return of Chief Officers or Chief Executive to local government after redundancy or early release. The same principle applies to all recruitment and any appointment is made on merit, regardless of whether the candidate has been made redundant or given early release in former employment. The provisions of the Redundancy Payments Modification Order would be applied in that if return to local government occurred within a month of redundancy, the redundancy payment would be forfeited. Cumbria County Council, as the administering body for the pension scheme operated by Carlisle City Council, implements 'abatement' which means that if pension plus earnings in the new job is greater than earnings prior to leaving or the pension is reduced accordingly.
- 8.5 Interim Support. Where the Council has need for interim support to cover work at Chief Officer or Chief Executive level, and there is no-one suitable within the Council, it will make use of agencies to recommend suitable candidates from which to select the most suitable. Selection will be in line with the appointment process for senior officers unless support is required too quickly to make this possible, when it will reported to Council at the earliest opportunity. The services of the successful interim will be engaged by either:
- On an agency basis where the person is employed by the agency *or*
  - On a self employed basis where the person meets the HMRC definition of 'self employed' *or*
  - Direct employment by the Council on a temporary contract.

Pay for temporary interim support will be at the required rate to secure a suitable candidate bearing in mind the temporary nature of the work, value for money, salaries within the Council and budgetary considerations.

At the date of this policy Statement, the Council has no temporary or interim support at Chief Officer level.

## 9 Other aspects of remuneration

- 9.1 Termination Payments – the Council’s policy on termination payments in the event of redundancy or early release in the interests of the service (ERS) apply to all employees, irrespective of level in the organisation. Full details are given in the document *Redundancy and Early Release Schemes Policy, Guidance Notes and Procedures*

In summary, redundancy payments are 2.5 times the statutory requirement and based on full pay, with the option to convert the sum above the statutory redundancy value to additional pension (subject to review elsewhere on the agenda RD55/14). Compensatory payments are not normally paid in the cases of early retirement in the interests of efficiency unless there is a strong business case for doing so in a particular situation. Where payments are made, these are equivalent to 1.5 times the statutory redundancy payment that would have applied had the officer been made redundant with the option to convert this to additional pension.

Dismissal of the Chief Executive and Chief Officers (including redundancy and early release) are made by Council on the recommendation of the Employment Panel.

- 9.2 Flexible Retirement. The policy on flexible retirement applies to all employees alike and details are covered in the document *Flexible Retirement Policy Guidance Notes and Procedures*. In summary, flexible retirement (with pension) is agreed if it is supported by a business case. Hours must be reduced by a minimum of 20% or grade by a minimum of one grade and earnings plus pension after flexible retirement must not be more than earnings before it.
- 9.3 Pension. Where employees exercise their statutory right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due to that employee. The contribution rate is set by Actuaries advising Cumbria County Council Pension fund and reviewed on a triennial basis in order to ensure that the scheme is appropriately funded. The current rate is 13.6%. The employee contribution rates are defined by statute and relate to the salary level of that employee.

Carlisle City Council applies the discretions given to them as an employer under the Local Government Pensions Regulations to all employees on the same basis.

5

## 10 Senior Officers pay and its relation to that of other employees

10.1 All aspects of other employees' pay and related benefits are detailed in the document *Pay Policy and Arrangements*.

10.2 Table one, below, shows details of senior officer's current pay and the relationship to other staff's pay.

**TABLE 1: Senior Officers' pay and its relationship with others**

Position	£ Pay per year	Car allowance	£ Total pay + car allowance per year	Ratio to median pay**	Ratio to lowest paid staff *
Town Clerk and Chief Executive	A single point in range 96,627 – 104,462	9.09% of salary	105,410 – 113,958	• 4.9:1 • 5.3:1	• 6.9:1 • 7.5:1
Deputy Chief Executive	3 points in the grade – • 74,545 • 78,273 • 82,000	9.09% salary	• 81,321 • 85,388 • 89,454	• 3.8:1 • 4.0:1 • 4.2:1	• 5.3:1 • 5.6:1 • 5.8:1
Chief Officer	3 points within the grade • 52,500 • 55,250 • 58,000	9.09% salary	• 57,272 • 60,272 • 63,272	• 2.7:1 • 2.8:1 • 2.9:1	• 3.8:1 • 4.0:1 • 4.2:1

\*Grade A staff – £15,207 per year for a full time employee.

\*\* £21,530 per year for a full time employee

10.3 Carlisle City Council aims to keep these multipliers approximately the same in future years.



# Report to Employment Panel

Agenda Item:

**A.2**

Meeting Date: 28th January 2015  
Portfolio: Finance, Governance and Resources  
Key Decision: No  
Within Policy and Budget Framework YES  
Public / Private Public

Title: PENSION DISCRETIONS – STATEMENT OF POLICY  
Report of: Director of Resources  
Report Number: RD55/14

## **Purpose / Summary:**

The introduction of the Local Government Pension Scheme Regulations 2013 has necessitated a review of the Council's discretions in relation to the award of pension provisions and compensatory payments to scheme members. Many of the changes are housekeeping to make the existing policy compliant with the requirements of the new regulations; however, it is also deemed best practice to review the said policy on an annual basis to ensure that it continues to be fit for purpose. Furthermore, a specific discretion within the Council's existing policy in respect of augmenting pension service is no longer permitted and alternative options are set out in the report for Members consideration. The Council's draft discretions are set out in the Appendix to this report.

## **Recommendations:**

The Employment Panel:

1. Approve the amendments to the Council's "Employer Discretions – Statement of Policy" in compliance with the Local Government Pension Scheme Regulations 2013 (LGPS 2013);
2. consider the Pension Discretions in the light of the LGPS 2013 introduced from April 2014 for subsequent transmission to Cumbria County Council in its role as the administering authority of the pension fund; and
3. consider the options for the pension service augmentation discretion noting that any required changes to other policies of the Council will be subject to consultation as appropriate.

**Tracking**

Executive:	<b>Not applicable</b>
Overview and Scrutiny:	<b>Not applicable</b>
Council:	<b>Not applicable</b>

## 1. BACKGROUND

- 1.1 As a scheme employer of the Cumbria Local Government Pension Scheme the Council must formulate and update policies and discretions in relation to:
- the awarding of additional pension to members;
  - the operation of early retirement and flexible retirement provisions;
  - redundancy and compensatory payments, and
  - the awarding of any discretionary payments.
- 1.2 In formulating these policies, employers must have regard to the extent to which the exercise of functions could lead to a serious loss of confidence in the public sector and be satisfied that that policy is workable, affordable and reasonable having regard to the foreseeable costs.
- 1.3 It is best practice to review these policies on an annual basis and the introduction of the Local Government Pension Scheme Regulations 2013 (LGPS 2013) has necessitated a review to bring the discretions in line with the requirements of the LGPS 2013; many of which are housekeeping changes.
- 1.4 The Council's existing policy allowed what is known as augmentation. This is when scheme members are permitted to purchase additional pension service (utilising the enhanced redundancy payment to fund the purchase). However, the LGPS 2013 means that the facility for employers to grant extra 'augmented' membership of the Pension Scheme is no longer available and options in respect of this are set out further in the report.
- 1.5 Once approved, the Statement of Policy must be issued to Cumbria County Council as administering authority of the Cumbria LGPS.

## 2. PROPOSALS

- 2.1 The Statement of Policy for pension discretions is attached to this report, at **Appendix A**, which details the relevant regulation where a mandatory policy statement is required (Parts A and C) as well as other discretions which the scheme employer may exercise under the LGPS 2013 (Part B). There is no requirement to have a written policy in respect of these part B items; however, it is accepted that it would be useful to establish a clear policy intention that scheme employers hold in these particular areas.
- 2.2 One of the Council's current discretions relates to the awarding of additional pension in cases where the employee elects to convert the discretionary element of the enhanced payment under 'redundancy and early release in the interests of efficiency' to additional

pension service. Under the new requirements of the LGPS 2013, this facility to grant extra augmented membership, as it is known, is no longer permitted. Instead the employer could grant extra annual pension to an active scheme member, or within 6 months of leaving to a member, whose employment was terminated on the grounds of redundancy or business efficiency. This extra pension granted would be actuarially equivalent to the value of any lump sum termination payment awarded under the Council's redundancy/early release scheme; subject to a specified limit. This is referred to as "additional pension by conversion".

- 2.3 The Council's current policy is to **not** award additional pension to active members on the basis that it would be costly and potentially discriminatory (RD1/11 Employment Panel 4<sup>th</sup> April 2011). The issues surrounding discrimination are similar to those presented in 2008 (PPP51/08 Full Council 29<sup>th</sup> April 2008) and 2011, whereby only members of the pension scheme will benefit from this discretion, discriminating those not in the scheme who tend to be younger and part-time female workers. However, this may have been negated to some extent through the implementation of auto enrolment.
- 2.4 At that time Members of the Employment Panel, taking into account all relevant legal and financial advice, agreed that the current policy reflected the best balance between operational risk and fairness to employees. The new option available to the Council, if the current redundancy policy and terms and conditions for members are to be maintained, would have minimal impact as there have only been 2 employees who have taken up the augmentation option in the past 10 years. Although the financial impact of the 'conversion' option is not known (as individual circumstances for particular employees differ) it is not expected to be significantly different from the current policy in terms of potential actuarial strain (capital cost) to the authority.
- 2.5 Therefore, to comply with the LGPS 2013, Members must:
- Remove the existing discretion resulting in a change to the options available in the redundancy policy, thereby removing the ability to convert the enhanced redundancy payment to additional pension service.
- 2.6 The discretionary option for members is whether to:
- Replace the existing discretion with the facility to convert the enhanced redundancy policy to grant extra annual pension to those active members leaving on grounds of redundancy or business efficiency, but opt not to award after 6 months of leaving. **If Members recommend this change, there will be corresponding amendments required to the redundancy policy which will be subject to consultation as appropriate.**

### **3. CONSULTATION**

3.1 None

### **4. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

4.1 The Employment Panel:

1. Approve the amendments to the Council's "Employer Discretions – Statement of Policy" in compliance with the Local Government Pension Scheme Regulations 2013 (LGPS 2013);
2. consider the Pension Discretions in the light of the LGPS 2013 introduced from April 2014 for subsequent transmission to Cumbria County Council in its role as the administering authority of the pension fund; and
3. consider the options for the pension service augmentation discretion noting that any required changes to other policies of the Council will be subject to consultation as appropriate.

### **5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

5.1 The Statement of Policy on Pension Discretions exists to provide Members and the general public with a transparent framework in which pension, redundancy, compensatory and discretionary payments are awarded to members and to instil confidence in the public sector.

**Contact Officer: Alison Taylor**

**Ext: 7290**

**Appendices attached to report: Appendix A – Pension Discretions**

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- None

#### **CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's – Not applicable**

**Economic Development – Not applicable**

**Governance** – The changes proposed in the Report are to ensure the Council complies with the Local Government Pension Scheme Regulations 2013 (SI 2013/2356). Within the regulations there are discretions open to the Council as to how its policy will operate.

**Local Environment – Not applicable**

**Resources – Not applicable**

## **EMPLOYER DISCRETIONS – STATEMENT OF POLICY**

### **EMPLOYER NAME: Carlisle City Council**

The employer stated above has prepared this written statement of policy in relation to its exercise of certain discretionary functions available under the above regulations.

### **PART A – Mandatory policy statements – Formulation of policy in accordance with:**

Regulation 60 of the Local Government Pension Scheme (LGPS) Regulations 2013  
Paragraph 2 (2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014  
Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008  
Regulation 106 of the Local Government Pension Scheme Regulations 1997

### **PART A1 – Discretions from 1 April 2014 in relation to post 31 March 2014 active members and post 31 March 2014 leavers (excluding councillor members)**

#### **Power of Scheme employer to award additional pension**

(Regulation 31 of the LGPS Regulations 2013)

An employer can grant extra annual pension of up to a maximum £6,500 (figure at 1 April 2014) to an active Scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency. This maximum figure that can be initially awarded will be index linked and the level increased on the 1<sup>st</sup> April each year.

#### **Employer's policy:**

*Extra annual pension will not normally be granted except where the employee elects to convert their discretionary payment under redundancy and early release in the interests of efficiency of the service to additional pension (augmentation by conversion). This will therefore be cost neutral to the authority under the Council's current Redundancy and Early Release Scheme Policy.*

*Therefore additional pension will not be granted except as above.*

#### **Power of Scheme employer to contribute towards the cost of a member purchasing additional pension**

(Regulation 16 (2) (e) and 16 (4) (e) of the LGPS Regulations 2013)

Where an active Scheme member wishes to purchase extra annual pension of up to £6,500 (figure at 1 April 2014) by making Additional Pension

Contributions (APCs), the employer may voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution. This maximum figure that can be initially purchased will be index linked and the level increased on the 1<sup>st</sup> April each year.

**Employer's policy:**

Carlisle City Council will not offer a shared cost APC arrangement for those members who purchase additional pension. That is, Carlisle City Council will not contribute to any additional pension contribution arrangement on behalf of an employee, but this does not prevent employees taking out an APC arrangement and contributing in their own right.

**Flexible retirement**

(Regulation 30 (6) and (8) of the LGPS Regulations 2013, Regulations 3 (5), 11(2) and 11(3) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 and regulation 18(3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

The Local Government Pension Scheme allows scheme members who have attained the age of 55 to draw all or part of their retirement benefits under flexible retirement arrangements even though they have not retired providing that:

- the employer consents, and
- there has been a reduction in hours, or
- a reduction in grade.

Specifically where the employer consents to flexible retirement then, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw), the employer can also allow the member to choose to draw all, part or none of the pension benefits they accrued after 31 March 2008.

However, benefits taken on flexible retirement will be subject to a potential actuarial reduction if they are being drawn earlier than the members' normal retiring age (flexible retirement provisions may be operated for members potentially up to a member's 75<sup>th</sup> birthday). The reductions applied will be in accordance with guidance issued by the government actuary. Employers can if they choose waive, in whole or in part, any reductions that might apply.

**Employer's policy:**

Members can elect to draw their pension from age 55 while remaining in employment, but only if as the same time:

- ~ the employee takes up a lower graded job, OR
- ~ there is a minimum 20% reduction in their working hours.

AND

- ~ Carlisle approves the flexible retirement and will normally only be agreed when it is in the organisation's best interests.
- ~ The employee's earnings, including pension payment are not more than their earnings before the flexible retirement took effect (excluding any cost of living awards).

Carlisle City Council will not normally waive any reduction in pension benefits arising as a result of the flexible retirement unless there is a strong business case for doing so.

Once Flexible Retirement has been agreed, Carlisle City Council will not normally allow the employee to work additional hours (on a permanent or temporary basis).

It should be noted that this facility does not replace the Early Retirement and Voluntary Redundancy Schemes. It is merely an additional provision.

### **Early retirement and waiving actuarial reductions**

(Schedule 2 paragraphs 1(2), 2(1), 2(2) and Regulation 3 (1) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, Regulation 30(8) of the LGPS Regulations 2013 and regulation 30(5) and 30A(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

If a member leaves a local government employment before he is entitled to the immediate payment of retirement benefits, then if he is age 55 or more (or having attained age 55 and have previously been awarded deferred benefits after 01 April 2014) he may choose to receive payment of them immediately.

Any benefits payable may be reduced as appropriate in accordance with guidance issued by the Government Actuary. Employers can if they choose waive, in whole or in part, any reductions that might apply and the employer must pay to the Pension Fund a sum representing the capital cost of waiving those reductions.

Due to the complexity in the level of protected benefits that now apply to different members, establishing what level of benefits can be waived can be difficult. Appendix 1 lists the options available to employers in terms of the level of reductions that can be waived and the grounds under which they may be waived.

#### **Employer's policy:**

The waiving of any reduction and the cost of the reduction associated with the early payment of benefits, after age 55, will only normally be granted where it can be demonstrated to be in the employer's interest.

### **PART A2 – Discretions in relation to scheme members who ceased active membership on or after 1 April 2008 and before 1 April 2014 (excluding councillor members)**

### **Power of Scheme employer to award additional membership**

(Regulation 3 (10) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 and regulation 12 of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

An employer can within 6 months of the date of termination grant extra membership in the pension scheme to a Scheme member whose employment was terminated before 1 April 2014 on the grounds of redundancy or business efficiency. Note that this is a time limited discretion which expires on 30 September 2014 for those whose employment is terminated on 31 March 2014.

#### **Employer's policy:**

No longer applicable
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### **Early release of deferred benefits with employer consent**

(Regulations 30(2), (5), 30A(3) and (5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

A policy decision concerning early release of benefits needs to be made in relation to members who have left the scheme between 1 April 2008 and 31 March 2014 with deferred benefits (or suspended tier 3 benefits) who make an application to release benefits on or after age 55 and before age 60.

In addition a further policy decision is required to determine whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.

#### **Employer's policy:**

Early release of deferred benefits and any waive of actuarial reduction will be considered, on compassionate grounds, and will be assessed on an individual basis.
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### **PART A3 – Discretions in relation to scheme members who ceased active membership on or after 1 April 1998 and before 1 April 2008 and active councillor members and councillor members who ceased active membership on or after 1 April 1998**

#### **Early release of deferred benefits with employer consent**

(Regulations 31(2) and (5) of the LGPS Regulations 1997)

A policy decision concerning early release of benefits needs to be made in relation to active members who have left the scheme between 1 April 1998 and 31 March 2008 with deferred benefits and councillor members who left after 1 April 1998 who make an application to release benefits on or after age 50\* and before age 60.

In addition a further policy decision is required to determine whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.

\*It should be noted that benefits paid on or after age 50 and before age 55 would be subject to an unauthorised payments charge under the Finance Act 2004 and, where applicable, an unauthorised payments surcharge under that Act, and a Scheme sanction charge on any benefits built up after 5 April 2006.

**Employer's policy:**

Early release of deferred benefits and any waive of actuarial reduction will be considered, on compassionate grounds, and will be assessed on an individual basis.

**PART A4 – Discretions in relation to scheme members who ceased active membership before 1 April 1998**

(Regulation D11(2) (c) of the LGPS Regulations 1995)

A policy decision concerning early release of benefits needs to be made in relation to active members who have left the scheme before 1 April 1998 who make an application on compassionate grounds to release benefits on or after age 50\* and before age 60. Under these rules the sole discretion for an employing authority is that they may determine on compassionate grounds that benefits are to become payable on an unreduced basis.

\*It should be noted that benefits paid on or after age 50 and before age 55 would be subject to an unauthorised payments charge under the Finance Act 2004 and, where applicable, an unauthorised payments surcharge under that Act, a Scheme sanction charge will not be payable.

**Employer's policy:**

Consideration, on compassionate grounds, will be assessed on an individual basis.

**PART B – Formulation of policy in accordance with further discretions under the Local Government Pension Scheme Regulations 2013**

As highlighted in the employer bulletin, there are a number of other discretions which Scheme employers may exercise under the LGPS Regulations 2013. There is, however, no requirement to have a written policy in respect of these. However the following areas of discretion would be useful for scheme members, in order for them to establish the clear policy intention that the employers hold in these particular areas.

**Shared Cost Additional Voluntary Contributions (SCAVCs)**

(Regulation 17 of the LGPS Regulations 2013, Regulations 15(1)(d) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, Regulation 25(3) of the LGPS (Administration) Regulations 2008 and Regulation 15(3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

An active member may elect to pay AVCs into a scheme established under contract between his appropriate administering authority and a body approved for the purposes of the Finance Act 2004.

An employer can, at its discretion, contribute to the AVC scheme and where they do the AVC scheme is known as a shared cost additional voluntary contributions arrangement (SCAVC). An employer should establish whether, how much and in what circumstances to either continue with an existing SCAVC or enter into a new SCAVC.

**Employer's policy:**

Carlisle City Council will not offer employees who contribute to the Local Government Pension Scheme, shared cost AVC arrangements. That is, Carlisle City Council will not contribute to any additional voluntary contribution contract on behalf of an employee, but this does not prevent employees taking out an AVC arrangement and contributing in their own right.

**Late transfer requests**

(Regulation 100(6) and 22(7) and (8) of the LGPS Regulations 2013)

The Local Government Pension Scheme Regulations allow for the acceptance of transfer value payments into the fund (subject to the Pension Fund administering authorities approval) to enable members to transfer pension rights accrued prior to joining the scheme into the LGPS, and thereby count additional pension. This election should be made within 12 months of first joining the LGPS in the employment.

The discretion allowed under regulation 100(6) relates to the acceptance of transfers relating to non LGPS membership, where the member makes a request after the expiry of the first 12 months of joining the LGPS.

Previous LGPS rights are automatically aggregated unless an election to keep those accrued benefits separate is received. Regulations 22 (7) and (8) allow an employer to extend the 12 month time limit within which a Scheme member who has a deferred LGPS benefit in England or Wales following the cessation of employment (or cessation of a concurrent employment) to elect not to have the deferred benefits aggregated with their new LGPS employment (or on-going concurrent LGPS employment) if the member has not made an election to retain separate benefits within 12 months of commencing membership of the LGPS in the new employment (or within 12 months of ceasing the concurrent membership).

**Employer's policy:**

A member must elect within 12 months of employment to amalgamate any previous service. This time limit will only be extended in exceptional circumstances.

## **Contributions payable by active members**

(Regulation 9 and 10 of the LGPS Regulations 2013)

An active member shall make contributions to the Scheme at the relevant contribution rate, from his pensionable pay, in each employment in which he is an active member. The contribution rate to be applied to his pensionable pay in any financial year is the rate determined by the employer with reference to the tiered contribution pay bands stated in the regulations.

Where there is a material change to a member's pensionable pay in the course of a financial year, the employer may re-determine the contribution rate to be applied.

### **Employer's policy:**

Contributions will be calculated, at the date of change, based upon the member's pensionable pay in line with the regulations.
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## **Assumed Pensionable Pay**

(Regulation 21(4) and (5) of the LGPS Regulations 2013)

Whether or not, when calculating assumed pensionable pay when a member :

- is on reduced contractual pay or no pay on due to sickness or injury, or
- is absent during ordinary maternity, paternity or adoption leave or during paid additional maternity, paternity or adoption leave, or
- is absent on reserve forces service leave, or
- retires with a Tier 1 or Tier 2 ill health pension, or
- dies in service

to include in the calculation the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred. A 'regular lump sum payment' is a payment for which the member's employer determines there is a reasonable expectation that such a payment would be paid on a regular basis.

### **Employer's policy:**

Assumed Pensionable Pay will be calculated in accordance with regulation 21 of the LGPS Regulations 2013.
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## **PART C – Mandatory policy statement\* – Formulation of policy in accordance with:**

Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006  
Regulation 26 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000

## Regulation 14 of the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

\*The mandatory requirements for a written policy under these regulations do not extend to employers whose employees are members of the LGPS by virtue of an admission agreement however as the provisions still apply it would be deemed appropriate for a policy statement to be in place

## **PART C1 – Discretions in relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006**

### **Redundancy and Compensation Payments**

(Regulation 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006)

These regulations provide a discretionary power to award a one-off lump sum payment of up to 2 years pay (104 weeks), inclusive of any redundancy payment made. This applies to any member who terminates their employment on the grounds of redundancy, efficiency or in the case of a joint appointment (not job shares) where termination arises because the other holder of the joint appointment has left it.

The provisions apply to all employees who are eligible for participation in the LG Pension Scheme, whether or not they are current members of the scheme.

There is also a discretionary power to waive the weekly pay ceiling placed on statutory redundancy payments and to calculate, instead, on pay up to the actual week's pay.

### **Employer's policy:**

Calculation of a redundancy payment will be based on the employee's contractual weekly earnings, and not the statutory redundancy payment ceiling.

#### **Redundancy:**

Carlisle City Council will make a discretionary redundancy payment of 1.5 times the statutory entitlement in addition to the statutory requirement (giving a payment of 2.5 times statutory entitlement) (based on the employee's actual pay as above).

#### **Early retirement in the Interest of the Efficiency of the Service:**

Where an employee is granted early retirement in the interest of the efficiency of the service Carlisle City Council will not normally make any discretionary compensatory payment; however, where it decides to do so, this will be 1.5 times the statutory number of weeks that they would have received if they had been made redundant. based on actual pay.

*Members leaving Carlisle City Council through redundancy or early release in the interests of efficiency of the service may elect to convert discretionary payments received to additional pension.*

Where at the sole discretion of Carlisle City Council an employee is made redundant or granted early retirement in the interests of the efficiency of the service, the award should depend on there being a clear value for money case. The Council will take into account the full effects of the strain on the pension fund from the early payment of benefits as well as any additional costs.

## **PART C2 – Discretions in relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000**

### **Redundancy and Compensatory Added Years payments**

(Regulation 17,19,21 and 25 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000)

Prior to the 2006 discretionary regulations employers could award employees additional service following a redundancy or efficiency retirement where that employee was over age 50. Although this facility is no longer available to current active employees, there are still discretionary decisions to be made in respect of employees who are already in receipt of additional service. These include:

- How to apportion any surviving spouse's or civil partners annual compensatory added years payment where the deceased person is survived by more than one spouse or civil partner.
- How the annual added years will be apportioned amongst any eligible children.
- Whether, in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal pension suspension rules should be ignored i.e. whether the spouse's or civil partner's annual compensatory added years payments should continue to be paid or if the authority's policy is to apply the normal suspension rules, whether the spouse's or civil partner's annual compensatory added years payment should be reinstated after the end of the remarriage, new civil partnership or cohabitation.
- Whether and to what extent to reduce or suspend the member's annual compensatory added years payment during any period of re-employment in local government and how to reduce the member's annual compensatory added years payment following the cessation of a period of re-employment in local government.

**Employer's policy:**

The Council will apportion any surviving spouse's annual compensatory added years where the deceased is survived by more than one spouse or civil partner in such proportions as, at its sole discretion, it sees fit (based upon the merits of the individual cases).

The Council will apportion any eligible children's payments equally.

The Council will continue to pay the Compensatory Added Years payment in cases of remarriage or a new civic partnership. The Council does not apply the normal suspension rules, so this element is not applicable.

The Council will fully suspend any Compensatory Added Years payment during any period of re-employment in Local Government.

**PART C3 – Discretions in relation to the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011**

**Injury Allowance payments**

(Regulations 3 to 7 of the Local Government (Discretionary Compensation) (Injury Allowances) Regulations 2011)

Under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 Scheme employers must formulate, publish and keep under review a policy on:

a) whether or not to make an injury award to those who sustain an injury or contract a disease as a result of anything they were required to do in performing the duties of their job and in consequence of which they:

- suffer a reduction remuneration, or
- cease to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or
- die leaving a surviving spouse, civil partner or dependant, and

b) if the Scheme employer has a policy to make such payments, how it will determine the amount of injury allowance to be paid

**Employer's policy:**

The Council has not adopted a discretionary injury allowance scheme.

**Declaration**

It is understood that the above discretions are applicable to all eligible members of the Scheme. In respect of the mandatory policy requirements, a written statement should be published indicating the policy which is being applied by that employer in the exercise of its functions. A copy of the

scheme employer's policy decisions should be sent to Your Pension Service within one month of the date the policy is revised.

Any change to the discretions exercised under the LGPS Regulations can take immediate effect from the date the Scheme employer agrees the change.

Any change to the discretions exercised under the Discretionary Compensation Regulations 2000, the Discretionary Compensation Regulations 2006 or the Injury Allowances Regulations 2011 cannot take effect until one month after the date the Scheme employer publishes a statement of its amended policy.

**The policies made above:**

- i. Must have regard to the extent to which the exercise of the discretions could lead to a serious loss of confidence in the public service;
- ii. Will not be used for any ulterior motive;
- iii. Will be exercised reasonably;
- iv. Will only be used when there is a real and substantial future benefit to the employer for incurring the extra costs that may arise;
- v. Will be duly recorded when applied.

**Signed on behalf of the Employing Authority:**

**Name in Block Capitals:**

**Position:**

**Employing Authority:**

**Date:**

**Signed on behalf of the Employing Authority:**

**Name in Block Capitals:**

**Position:**

**Employing Authority:**

**Date:**

**Appendix 1 – if voluntarily retiring**

**If there is an actuarial reduction regarding the particular tranche of membership, the employer has the right to -**

	<b>Group 1</b>	<b>Group 2</b>	<b>Group 3</b>	<b>Group 4</b>
<b>Part A</b>	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.
<b>Part B1</b>	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.	Waive all or none on this on compassionate grounds.
<b>Part B2</b>	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.
<b>Part C</b>	Waive all, some or none on any grounds.	Waive all or none on compassionate grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.
<b>Part D1</b>	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.

Part A = membership to 31 March 2008

Part B1= membership 1 April 2008 to 31 March 2014

Part B2 = membership 1 April 2014 to 31 March 2016

Part C = membership 1 April 2016 to 31 March 2020

Part D1 = membership 1 April 2020 onwards

Group 1 member = a member who was an active member prior to 1 October 2006 and who was born on 31 March 1956 or earlier

Group 2 member = a member who was an active member prior to 1 October 2006, was born between 1 April 1956 and 31 March 1960 inclusive, and who would reach their CRA by 31 March 2020

Group 3 member = a member who was an active member prior to 1 October 2006 and who is not a Group 1 or Group 2 member

Group 4 member = a member who was not a member prior to 1 October 2006.

**If member retires on flexible retirement, the employer may waive all, some or none of any reduction on any grounds.**

Meeting Date: 28 January 2015  
 Portfolio: Finance, Governance and Resources  
 Key Decision: No  
 Within Policy and Budget Framework: No  
 Public / Private: Public

Title: REVIEW OF EMPLOYEE BENEFITS  
 Report of: Organisational Development Manager  
 Report Number: CE 1/15

**Purpose / Summary:**

At Employment Panel in November 2013, Members asked for a report reviewing the employee benefits offered to Carlisle City Council staff to come to them at the end of 2014.

This report gives information on the wide range of benefits available including how they are promoted to staff. It also considers ideas for new employee benefits which could be introduced in 2015.

**Recommendations:**

1. Members are asked to consider the report.
2. Members are asked to approve work to develop a Train Season Ticket Scheme and a Learning Loans Scheme.

**Tracking**

Executive:	
Overview and Scrutiny:	
Council:	

## **1. Introduction**

1.1 The City Council has offered a wide range of benefits to staff for many years. The benefits can be divided into those that all staff are entitled to receive e.g. membership of the pension scheme and an annual leave entitlement, and those that staff can choose to pay for e.g. childcare vouchers and the holiday purchase scheme.

1.2 In 2011 it was decided to expand the range of benefits on offer as effective pay and reward strategies, which benefits contribute to, aid successful recruitment and retention of staff and can lead to increased morale and staff wellbeing.

1.3 Since 2011 the City Council has introduced the following employee benefits:

- Holiday Purchase Scheme
- Cycle to Work Scheme
- Computers for Staff Scheme
- Car Scheme

1.4 This report focuses mainly on the employee benefits which have been introduced since 2011 but will also include some information about the other ones.

## **2. Holiday Purchase Scheme**

2.1 The Holiday Purchase Scheme was the first of the new employee benefits and was introduced in September 2011. Staff have two opportunities a year to buy up to ten days of additional annual leave. The first is in February for the leave year from April to March, and the second is in July for the remainder of the leave year from October to March. Since the scheme was introduced 189 staff have bought additional annual leave. Some of the staff have bought leave every year so will be counted more than once in that figure.

2.2 When the scheme was introduced it was agreed that initially the income would be used to fund employer pension contributions and any additional administrative support needed, with any extra income under £20,000 being used for other employee health and wellbeing initiatives. Any income over £20,000 would be used as a saving.

2.3 Since the 2012/13 financial year, the income from the scheme has been sufficient to allow up to £20,000 per year to be used for health and wellbeing initiatives and to make savings. In 2014/15, the allocation of the income was changed so that the first £5,000 goes as a corporate saving, the next £20,000 is for health and wellbeing initiatives and any other money goes into general reserves. This year that has been £2,982.34.

### **3. Cycle to Work Scheme**

3.1 The Cycle to Work Scheme was introduced in November 2011. The City Council works with Halfords as the main provider of the scheme. Four Cumbrian companies are also part of the scheme so staff can choose to buy their bike from a local shop or from Halfords. Staff have the opportunity to buy a bike in the spring and autumn.

3.2 Since the scheme was introduced 50 staff have bought a bike and/or bike equipment. Some of the staff have taken part several times so will be counted more than once in that figure.

3.3 As this is a salary sacrifice scheme, staff make tax and National Insurance Contribution (NIC) savings. The City Council makes a saving on Employer's NIC for each sale and we receive 12% cashback on bikes bought through Halfords. This money has been used to upgrade the facilities for staff who cycle to work and to buy pool bikes for staff to use for work and at lunchtimes.

### **4. Computers for Staff Scheme**

4.1 The Computers for Staff Scheme was introduced in April 2014 to give staff the opportunity to buy a PC, laptop or tablet, with a second window in October this year. The City Council has partnered with PC World to provide the scheme. Staff are able to pick up their computer from the Carlisle or Workington stores and have easy access to technical support if they need it.

4.2 40 staff have bought a computer through the scheme and as some of the staff have bought a computer in both windows they will be counted more than once in that figure. This is not a salary sacrifice scheme so staff repay the total cost of the computer through payroll deductions over twelve months.

### **5. Car Scheme**

5.1 The Car Scheme was introduced in May 2014. Unlike the other new employee benefits this scheme is open all year round and not restricted to two windows per year. Through a Framework Agreement and mini competition, the City Council chose Tusker to deliver the Car Scheme.

5.2 To date six staff have ordered cars through the scheme. This is a salary sacrifice scheme so staff make tax and National Insurance Contribution (NIC) savings and the City Council makes a saving on Employer's NIC for each sale.

## **6. Other Employee Benefits**

6.1 The other paid for voluntary employee benefits that the City Council offers to staff are childcare vouchers, payroll giving, a Carlisle Leisure discount and a health cash scheme. All staff have access to an employee assistance programme, occupational health service (with referral for physiotherapy if needed) and counselling. Long service awards are offered at 25 and 40 years of service.

6.2 Where appropriate to their role, staff benefit flexible working which includes part-time, term time, flexible start and finish times and flexitime. All staff are automatically enrolled in the Local Government Pension Scheme. Staff receive a standard entitlement of 23 days annual leave which increases dependent on length of service. Maternity, paternity and adoption leave is offered where relevant. An extensive programme of learning and development opportunities including a corporate training programme, professional and technical training and qualifications is also offered to staff.

## **7. Promoting Employee Benefits**

7.1 The new employee benefits which have been introduced since 2011 have been promoted via email (with requests to managers of staff without access to email to pass on the information), posters and where appropriate drop-in sessions e.g. for Cycle to Work and the Car Scheme.

7.2 Earlier this year it was decided to develop an employee benefits intranet site to give staff information about all the benefits available to them. It groups the benefits into four sections:

- Money & Lifestyle
- Health & Wellbeing
- Work Life Balance
- Learning & Development

7.3 A booklet has been developed for the approximately 150 staff who do not have access to the intranet. This has also been used at the corporate induction sessions for new staff to show them what is available.

## **8. Ideas for New Employee Benefits**

8.1 There are two new employee benefits which the City Council could consider introducing in 2015. These are a Train Season Ticket Scheme and a Learning Loans Scheme.

8.2 The Train Season Ticket Scheme is offered by Northern Rail. The scheme would be free to set up and run for the City Council. The benefit for staff is that they can pay for the ticket over twelve months rather than in full. They also get twelve weeks of free travel. This is not a salary sacrifice scheme so staff repay the total cost of the season ticket through payroll deductions over the twelve months.

8.3 A Learning Loans Scheme would enable the City Council to support staff to do work-related learning and development that can't be supported through the Qualification Study Budget or team training budgets. The Qualification Study Budget is reducing from £34,100 in 2014/15 to £23,900 in 2015/16. This combined with the increase in tuition fees for college and university courses in recent years means that the City Council will not be able to fund as many staff to do qualifications as it has in the past. The Organisational Development Team is considering how best to minimise the impact of this and solutions include offering more qualifications in-house through our own assessment centre, looking at new providers and alternative delivery models.

8.4 The Learning Loans Scheme would enable staff to apply to do a work-related qualification or course and instead of paying for it in one go, or through termly payments which some providers allow, they would repay the total cost through payroll deductions over twelve months. For staff doing a qualification lasting longer than twelve months they could take out further loans to pay for the rest of the fees providing they had repaid the money they had borrowed and had made satisfactory progress on the course.

8.5 The Learning Loans Scheme would be a salary sacrifice scheme so staff would make tax and National Insurance Contribution (NIC) savings and the City Council would make a saving on Employer's NIC for each qualification or course. Unlike most of the other employee benefits this is not a scheme we could buy off the shelf and so would need to develop it ourselves. Surrey County Council offers a similar scheme to their staff which they call the Training and Qualification Loan Scheme.

8.6 If Members approve work to develop the Train Season Ticket Scheme and Learning Loans Scheme, a report with full details of the schemes will be brought to a future meeting of the Employment Panel.

## **9. Conclusion and Reasons for Recommendations**

9.1 This report gives information on the wide range of benefits available including how they are promoted to staff. It also considers ideas for new employee benefits which could be introduced in 2015.

1. Members are asked to consider the report.

2. Members are asked to approve work to develop a Train Season Ticket Scheme and a Learning Loans Scheme.

## **10. Contribution to the Carlisle Plan Priorities**

10.1 Making Carlisle City Council an attractive employer contributes to the Carlisle Plan priority of working with partners to develop a skilled and prosperous workforce, fit for the future.

**Contact Officer:** Emma Titley **Ext:** 7597

**Appendices attached to report:** None

**Note:** in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

### **CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's - None**

**Deputy Chief Executive – None**

**Economic Development – None**

**Governance –** There are no particular legal implications as a result of this particular report as it is an update together with proposals for potential work streams. Terms and conditions of employment are within the remit of the Employment Panel as are discretionary employee benefits.

**Local Environment – None**

**Resources - Finance -** The employee benefits programme combines salary sacrifice schemes where both the employee and the Council make a financial saving and non-salary sacrifice schemes where the employee repays the Council the full cost of the benefit over a set period. All of the schemes are cost-neutral to the Council with any savings accruing from National Insurance savings being used to fund other employee benefit initiatives such as the Health and Wellbeing days up to a value of £20,000. Other savings

made through the other salary sacrifice schemes are used to benefit staff, e.g. through cycle provision.

**Resources - HR** - All relevant staffing implications will be addressed during development of new schemes if approved. Some additional administrative support may be required to administer the benefits, if so this could be paid for from income raised via the holiday purchase scheme.

