

COUNCIL	AGENDA ITEM. 13(a)
9 MARCH 2016	PUBLIC REPORT

PAY POLICY INCLUDING LOCAL GOVERNMENT PENSION SCHEME DISCRETIONARY POLICY

RECOMMENDATIONS
FROM : Director of Governance
<p>That Council agree:</p> <p>(i) the 2016/17 Pay Policy (Appendix 1); and</p> <p>(ii) the revised copy of the Local Government Pension Scheme (LGPS) discretionary policy (Appendix 2).</p>

1. PURPOSE AND REASON FOR REPORT

- 1.1 Council is required by the Localism Act 2011 to pass a resolution approving the Pay Policy Statement for each financial year. This report asks council to approve the Pay Policy Statement for 2016/17.
- 1.2 The Council as an admitted body under the LGPS is required to formulate, publish and keep under review a statement of policy on certain discretions under the pension scheme. The draft revised policy includes the addition of one new discretion arising from the LGPS (Amendment) Regulations 2015. The policy also includes the previously published discretions which apply to the 2008 and the 1997 regulations.

2. BACKGROUND

2.1 Pay Policy Statement 2016/17 (Appendix 1)

- 2.1.1 The Localism Act (the Act) requires that the Council approves a pay policy statement that sets out the authority’s policies for the financial year relating 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.
- 2.1.2 The Act contains specific items that must be included in the Pay Policy, and the statement recommended to Council is compliant with those requirements. It has also been drafted having regard to the guidance provided by the Department of Communities and Local Government (DCLG) “Openness and accountability in local pay: Draft guidance under section 40 of the Localism Act” and supplementary guidance.
- 2.1.3 The requirement to approve, publish and comply with a Pay Policy Statement builds on the Code of Recommended Practice for Local Authorities on Data Transparency that has led to the Council already publishing data on senior salaries and the structure of the Council’s workforce. The requirement in the Act is based on the premise that elected members should have a significant input into how decisions on

pay are made, particularly decisions on senior pay, and that they are open about policies that determine those decisions, to enable local taxpayers to take an informed view of whether local decisions on remuneration are fair and make the best use of public funds.

- 2.1.4 The Act and government guidance recognises that each local authority is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The Act does not impose policies, and only requires that authorities are open about how their own policies and local decisions are made.
- 2.1.5 Should the pay policy be amended during the financial year the Council would be required to approve such amendments and publish the amended policy accordingly.

3. LGPS Discretionary Policy (Appendix 2)

- 3.1 Attached at Appendix 2 is the LGPS Discretions Policy. It is a requirement under Section 7 of the 1972 Superannuation Regulations for the Council to approve policy on discretions under the LGPS. Once approved, the Council must send this to the Pension Fund administering authority. In formulating and reviewing its policy, the Council is required by the regulations, to have regard to the extent to which the exercise of its discretionary powers could lead to a serious loss of confidence in the public service. The 2008 discretions apply to scheme members who ceased active membership between 1 April 2008 - 31 March 2014. The 1997 discretions apply to scheme members who ceased active membership between 1 April 1998 – 31 March 2008. There are no changes to the 2008 and 1997 discretions that were previously in place.
- 3.2 The newly added discretion is 2013 LGPS Regulation 16 (16):-That the Council will not extend the 30 day deadline for a member to elect for a shared cost additional pension contribution upon return to work from a period of authorised unpaid leave. The view is that 30 days is sufficient time for such a decision to be made by the employee.

4. IMPLICATIONS

- 4.1 The pay policy sets out clearly the expectations detailed in the Localism Act. The LGPS discretionary policy allows the Council to take consistent, fair decisions when dealing with a request from a pension scheme member. The adjudicator for the decisions is the Assistant Director of HR and Development. The Chief Executive must approve any decisions that are outside of the agreed policy.

5. BACKGROUND DOCUMENTS

- 5.1 Openness and accountability in local pay under section 40 of the Localism Act and supplementary guidance.
- 5.2 Understanding Employer Discretions and Policies – Local Government Association 17 March 2014.

6. APPENDICES

Appendix 1 – Pay Policy 2016 – 2017

Appendix 2 – LGPS Discretions Statement V5



Governance Pay Policy 2016-17

References:

Small Business Enterprise and Employment Bill
 Section 38 (1) of the Localism Act
 Section 40 (1) of the Localism Act
 Repayment of Public Sector Exit Payments Regulations 2015

Issue date:	11 February 2016
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Document Control Sheet

Purpose of document:	To articulate an authority's own policies towards a range of issues relating to the pay of its workforce, particularly its chief officers and its lowest paid employees.
Type of document:	Policy
Document checked by Legal	To be shared with AB
If applicable, has an initial Equality Impact Assessment (EIA) been completed?	Not Applicable – confirmation of already agreed position
Document lead and author:	Karen Craig - HR
Dissemination:	All new and updated policies and procedures are notified to entire workforce via insite and a variation letter. This policy is also submitted to LGSS, EPM and Serco. All documents are also posted onto the Employee Information pages of Insite.
What other documents should this be read in conjunction with:	None
Who will review the document (job title):	Senior HR Consultant (Policy Development)
Why is this document being reviewed?	Statutory Requirement.

Revisions

Version No.	Page/ Paragraph No.	Description of amendment	Date approved
5	All	Text Reviewed. Main changes inclusion of Peterborough Living Wage and Shared Chief Executive. Data updated and incorporated.	

PAY POLICY STATEMENT FOR 2016/17

1. Purpose of the Policy

- 1.1 The council is required by ss38 to 43 of the Localism Act 2011 to produce an annual pay policy statement. It must be approved by Full Council each year, and must then be published on the council's website.
- 1.2 The statement sets out the council's policy with regard to:
 - The remuneration of chief officers (as defined in 4.1);
 - The remuneration of the lowest paid employees (as defined in 6.2); and
 - The relationship between chief officers' remuneration and that of officers' (who are not chief officers).
- 1.3 Remuneration includes salary or payment under a contract for services, expenses, bonuses, performance related pay and severance payments.
- 1.4 The objectives of this policy are:
 - 1.4.1 To set remuneration at a level sufficient to attract and retain adequately experienced, trained and qualified individuals to deliver the council's priorities,
 - 1.4.2 To reflect fairness and equality of opportunity, and
 - 1.4.3 To set out the council's approach to remuneration in a fair and transparent manner.

2. Pay Framework

- 2.1 The council's main pay framework was implemented in April 2007 in line with national joint council (NJC) guidance, with the grade for each role being determined by a job evaluation process. This followed a national requirement for all local authorities, and a number of 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. As part of this the council determined a local pay framework for NJC posts, up to spinal column point 60.
- 2.2 In exceptional circumstances, basic pay for any officer may be supplemented by a market supplement if market evidence on demand for these skills supports it. The process and terms of these payments is clearly detailed within the council's Market Supplement policy.

2.3 This pay policy statement does not relate to:

- staff of local authority schools
- contractors
- companies wholly or partially owned by the council
- the receipt or distribution of any payments received by the Chief Executive in her role as Returning Officer

3. Pay Awards

3.1 The council's policy on pay awards for all employees, including chief officers, has been to follow national negotiations. During 2015-2016 the following pay awards were implemented:

Terms and Conditions type	Increase awarded	Date effective
Joint Negotiating Committee for Chief Officers	2% on salaries of £99,999 or less at 31 December 2014. The pay award did not apply to the first £99,999 of salaries of £100,000 or more.	1 January 2015 (covered the period 1 April 2014 – 31 March 2016).
National Joint Council Single Status	2014-16 agreement was for a non-consolidated payment (paid in December 2014 and the balance in April 2015) plus percentage increase of at least 2.2% payable from 1 January 2015.	1 April 2014 – 31 March 2016
NHS	Spinal column point increase to those who had not reached the top of their grade only. The NHS pay award was not paid.	Variable dates depending on anniversary date of job holder.
Youth & Community JNC	2.2%	1 March 2015 (had been due September 2014)
Soulbury	2014-16 agreement was increase of 2.2% on all pay points.	01 September 2014 – 31 March 2016

- 3.2 Where staff have been transferred in to the council their contractual terms and conditions will be **static** at the point of transfer. This will apply in all cases **excluding** those where the council has the possibility of participating in the negotiation process of such collective agreements concluded after the date of the transfer. This will mean that any pay award negotiated after transfer will not be paid (providing the council had no possibility of participating in the negotiation process).
- 3.3 There is incremental progression for NJC evaluated posts where increments are paid in accordance with agreed council policy, usually on an annual basis. Incremental progression for NJC evaluated jobs is automatic within the pay range for the job, and takes place until the maximum incremental point within the pay range is achieved. Thereafter the employee is only eligible for any annual cost of living award negotiated by the appropriate bodies.
- 3.4 As part of the 2015/16 budget negotiations it was agreed that the council should pay the 'Peterborough Living Wage.' The amount was the rate published by the Living Wage Foundation in November 2014. The council committed to pay this rate for the financial year 2015/16. This meant that a non-consolidated allowance was paid on top of the hourly rate to all employees who were earning below £7.85 per hour. The rate payable for 2016/17 is under consideration.
- 4.1 As is required by the Localism Act, for the purpose of this policy, chief officers are defined as:
- Head of Paid Service (Chief Executive)
 - Monitoring Officer (Director of Governance)
 - s151 Officer (Corporate Director: Resources)
 - Statutory Chief Officers Corporate Director: People & Communities and Director of Public Health.
 - Non-Statutory Chief Officers: Corporate Director: Growth and Regeneration. Any post that reports directly to the Chief Executive (other than administrative posts).
 - Deputy Chief Officers: Service Director or Assistant Director who as respects all or most of the duties of his/her post, reports directly to a chief officer.
 - Any self-employed individual engaged by the council in one of the categories above

A list of posts and officers included in this definition is attached at Appendix A.

4. Policy relating to remuneration of Chief Officers

- 5.1 Local government has changed radically; this council is no exception and many of our services are now provided externally. During 2013/14 senior manager pay scales were reviewed and the following parameters agreed by Employment Committee:-
- Senior manager role profiles should be evaluated independently under Hay, which is the council's chosen job evaluation system for senior managers.

- It was agreed that there should be seven pay bands which are anchored at the 50th percentile (market median) and range between 10% below or 10% above this market anchor point. Application of the council's Market Supplement policy will be considered in cases where the market dictates a rate that is above the 50th percentile and evidence is provided to support this.
 - Pay protection would be applied to those who saw a reduction in their salary in accordance with the council's existing Redundancy Policy pay protection arrangements.
 - Salary upon appointment will be set in accordance with the Guidance Document on Setting Senior Manager Pay.
- 5.2 Full Council is responsible for approving the appointment of the Head of Paid Service (Chief Executive). Full Council is responsible for confirming the dismissal of the Chief Executive, and for confirming the dismissal of the Monitoring Officer (Director of Governance) or the s151 Officer (Corporate Director: Resources) following a recommendation of dismissal by an independent panel. Before the independent panel make a recommendation to council every cabinet member must be notified of the name of the person to be dismissed, any other particulars relevant to the dismissal and the period within which objection to the dismissal is to be made. Full council may only approve the dismissal where no material or well-founded objection has been made by the leader or other cabinet member.
- 5.3 Employment Committee is responsible for approving the appointment (including remuneration) or dismissal of all other Chief Officers and Deputy Chief Officers. All Cabinet members have a right to object to the appointment or dismissal.
- 5.4 Full Council is responsible for approving salary grades of £100,000 or more in respect of a new appointment. The Employment Committee, under its delegated powers will determine the salary to be paid within the grade approved by Council. Full Council is responsible for approving severance packages beyond £100,000 for staff leaving the organisation.
- 5.5 There is currently no formal mechanism in place for Chief Officers to progress through the pay bandings. Any increase previously paid was at the discretion of the Chief Executive and appropriate Cabinet Member, and linked to a change in responsibilities, or agreed on recruitment following an initial period in the role. The Chief Executive and Director in consultation with the relevant portfolio holder and the Assistant Director: HR & Development are authorised to amend and update the job descriptions of Directors, Assistant Directors and Heads of Service.
- 5.6 Information relating to the remuneration of senior officers is published annually in the statement of accounts, and also in accordance with the Department of Communities and Local Government's (DCLG) Transparency Code. The Council will continue to follow these requirements when determining disclosure for Chief Officers. Information in relation to payments made under a contract for services (for example if a Chief Officer is paid through a third party these will be published in the Statement of Accounts
- 5.7 Since 19 October 2015 the Chief Executive role has been shared with Cambridgeshire County Council for an initial period of 12 months. This is to give Peterborough and the county a stronger voice nationally to promote economic development and to create greater opportunities for jointly commissioned services and sharing of best practice between the two councils. Peterborough City Council remains the employer of the Chief

Executive. However, 50% of the salary is recharged to Cambridgeshire County Council. A similar arrangement applies to the Director of Public Health who is seconded from Cambridgeshire County Council.

6. Policy relating to remuneration of the council's lowest paid employees

- 6.1 The Localism Act requires the council to determine who its lowest paid employees are. It may adopt any definition which most appropriately fits local circumstances, providing it explains in the policy why that definition has been adopted.
- 6.2 For the purpose of this policy, the Council defines its lowest paid employees as those in the bottom 10% of employees by remuneration. As of 1st February 2016 the 10% is based on a total of 1331 staff (i.e. 133) with a full time equivalent salary between £15,145 and £19,048. The average remuneration package for those employees is in the region of £17,129. For employees who work part-time, their salary is calculated pro rata to the full-time equivalent. As a consequence of applying the 'Peterborough Living Wage' the rates of pay for the lowest paid have increased since the last pay policy was published.
- 6.3 The definition used to define the lowest paid workers is the same as the definition applied in the 2015/16 Pay Policy. This definition has been selected because it captures a meaningful number of employees and avoids the distortions that might occur with a very small group, or the excessive averaging that would be required if a larger group was used, such as the lowest quartile. This definition has been agreed with the relevant trade unions.
- 6.4 Former council employees who have transferred to external contractors with whom the authority has contracted to perform services are excluded from this definition.
- 6.6 The pay award for Chief Officers was not received until 2 February 2015 and therefore was not taken into account when calculating the amounts in paragraph 6 or 8 of the previous years' policy.

7. Policy relating to remuneration of all employees

- 7.1 The council's policy is to differentiate between remuneration of its employees by setting different levels of basic pay to reflect differences in responsibility, but not to differentiate on other allowances, benefits and payments it makes. The council has separate policies relating to travel and subsistence, redundancy, relocation, and other entitlements, and does not differentiate between chief officers and those who are not chief officers in respect of entitlement to these benefits. Similarly, all officers who work on elections are entitled to payment for specific roles such as count supervisor or count assistant, at rates agreed and paid each year by the Returning Officer, and the rates agreed relate specifically to the election role undertaken, and not to the grade or employment status of the officer undertaking the role.
- 7.2 Mobile telephones
- Officers (including chief officers) are entitled to be provided with a mobile telephone or other personal data device if it is necessary to carry out their duties. Personal use is permitted, but must be reimbursed in accordance with council policies, so this is not classified as a benefit in kind for tax purposes.

7.3 Policy on receipt of salary & pension

The Local Government Pension Scheme (LGPS) does not allow current employees to receive their pension at the same time as their salary unless it is under a flexible retirement arrangement. New starters may join who are already in receipt of a pension from previous service in the LGPS or another pension provider. It is also the council's policy not to re-engage officers who have left the council on a redundancy basis, except in exceptional circumstances where the Chief Executive considers it necessary for continuity of an essential service. The Government is consulting on draft legislation that will limit the levels of redundancy pay and also impose further restrictions on re-employment of previously redundant public sector employees. These rules will of course be incorporated into council policy.

7.4 Enhancement of pension benefits

Most employees are eligible to join the Local Government Pension Scheme, which in certain circumstances provides for the exercise of discretion that allows retirement benefits to be enhanced. Pension regulations require the council to issue a written policy statement on how it will exercise the various discretions provided within the scheme, and this is published as a separate document entitled "Local Government Pension Scheme Discretionary Policy". That policy was approved by Employment Committee in March 2010. Under the policy, the council will consider each case on its merits, but its usual policy is not to enhance benefits for any of its employees, with no distinction made between chief officers and those who are not chief officers. Different rules apply to those in the Teacher's Pension Scheme and the NHS Pension Scheme.

7.5 Termination of employment

In relation to the termination of employment, the council will have due regard to the making of any appropriate payments where it is in the council's best interests. Any such payments will be in accordance with contractual or statutory requirements and take into account the potential risk and liabilities to the council, including any legal costs, disruption to services, impact on employee relations and management time. The council will have specific regard to the legal requirements which apply to the termination of employment of the Head of Paid Service (Chief Executive), the s151 Officer (Corporate Director: Resources), and the Monitoring Officer (Director of Governance).

8. The relationship between the remuneration of the council's chief officers and those who are not chief officers

- 8.1 The Localism Act requires the council to state the relationship between the remuneration of chief officers and those who are not chief officers, and leaves the council the flexibility to determine how to express this. This was considered in the Hutton report, which was asked to explore the case for a fixed limit on pay dispersion in the public sector through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. Hutton concluded that this was not helpful, and that the most appropriate metric is the top to median earnings. However, the council would not expect that the remuneration of its highest paid officer would exceed 20 times the remuneration paid to its lowest paid employee, except in exceptional circumstances, which must be specifically authorised by the Employment Committee and reviewed annually. The Chief Executive's

remuneration is currently 9.93 times the remuneration of the lowest paid employees.

This is summarised below:-

	Feb 12	Feb 13	Feb 14	31 Jan 15	31 Jan 16
Chief Executives salary	£170,175	£170,175	£170,175	£170,175	170,175
Lowest salary (using bottom 10%)	£15,931	£15,011	£15,779	£16,062	£17,129
Ratio	10.68 to 1	11.34 to 1	10.78 to 1	10.59 to 1	9.93 to 1

8.2 Hutton considered that the most appropriate metric to track the pay dispersion across the organisation is the multiple of the remuneration of the Chief Executive to the average remuneration of the organisation's workforce. The table below shows both the mean and the median average.

The current calculation and ratio is as follows:-

	Jan 15		Jan 16	
	Median	Mean	Median	Mean
Chief Executives salary	£170,175	£170,175	£170,175	£170,175
Average	£ 27,913	£ 30,420	£ 27,946	£ 31,145
"pay multiple" ratio	6.09 to 1	5.59 to 1	6.09 to 1	5.46 to 1

8.3 The 'average salary' is calculated as follows:

- Median – where the full time equivalent salaries of every employee are listed in order of value, and the value of the employee in the middle is used. In this case, in January 2016 the council had 1331 employees covered by this pay policy. When all of these salaries are listed in order, the total salary package of the 665th employee is £27,946.
- Mean - where the full time equivalent salaries of every employee are added together, and then divided by the total number of employees (in this case 1331). It should be noted that adding the salaries together is not the same as calculating the total pay bill. This is because full time equivalent salaries are used for these figures, but in the council a significant number of staff have part time contracts.

8.4 A graph showing pay dispersal across the council as at January 2016 is included at Appendix B. This is likely to fluctuate as the shape of the council changes, particularly if further services are transferred into, or out of the council's control. During the year the workforce has reduced to ensure that the council manages its financial reductions.

8.5 The ratios comparing the Chief Executive's pay to average and lowest salaries has decreased. The cause is the changing structure of the

organisation and the increase to pay of those covered by the national conditions plus the introduction of the Peterborough living wage which raised the salary of the bottom point on the salary ranges to £7.85 per hour. As there has been no change or increase to the Chief Executive's salary this has resulted in a reduced ratio.

9. Review of the Pay Policy Statement

- 9.1 This policy will be kept under review in the light of external best practice and legislation, internal data on recruitment and retention, and external pay data. Any changes will be discussed with stakeholders before being presented to council for approval. The pay policy will be published on the Council's website. Council will approve its Pay Policy Statement at least on an annual basis, normally at the council meeting when the council's budget is considered.
- 9.2 The transfer of further staff into or out of the council may have an impact on salary differentials in the future.

10. Notes

- 10.1 This pay policy statement is not intended to be a statement of terms and conditions for a chief officer's employment contract;
- 10.2 Nothing in this pay policy statement is intended to revoke other council policies related to pay, or terms and conditions of employment;
- 10.3 This pay policy statement has been prepared having regard to the guidance given by the Secretary of State in relation to sections 38 to 43 of the Localism Act 2011.

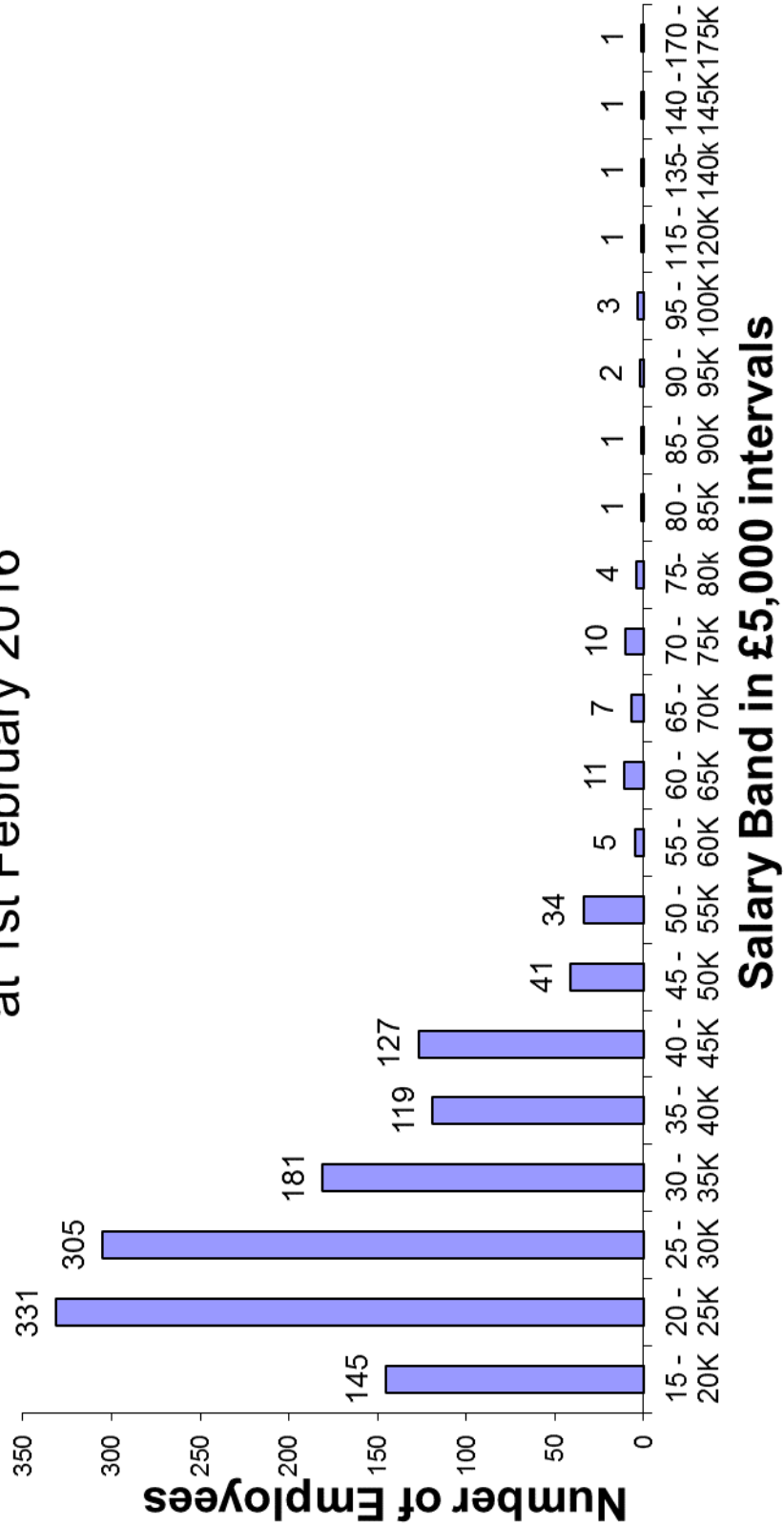
APPENDIX A

ROLE	OFFICER IN POST
Chief Executive (Head of Paid Service)	Gillian Beasley
Monitoring Officer (Director of Governance)	Kim Sawyer
s151 Officer (Corporate Director: Resources)	John Harrison
<p><u>Statutory Chief Officers:</u> Corporate Director: People & Communities (Director of Adults Services and Children’s Services)</p> <p>Director of Public Health</p>	<p>Wendi Ogle-Welbourn</p> <p>Dr. Liz Robin (seconded from Cambridgeshire County Council)</p>
<p><u>Non-statutory Chief Officers:</u> Corporate Director: Growth and Regeneration</p>	Simon Machen
<p><u>Deputy Chief Officers</u> (reports directly to Statutory Chief Officer):</p> <p>Service Director City Services & Communications Service Director Financial Services Service Director Education Service Director (Deputy Director) Adults & Communities Service Director Children’s Services</p> <p>Assistant Director Legal & Democratic Services Assistant Director Human Resources & Organisational Development Assistant Director Quality, Information, Performance</p> <p>Assistant Director Digital Peterborough</p> <p>Consultant in Public Health</p>	<p>Annette Joyce Steven Pilsworth Terry Reynolds (Interim)</p> <p>Adrian Chapman Patrick Williams</p> <p>Alison Stuart Mandy Pullen</p> <p>Tina Hornsby</p> <p>Richard Godfrey</p> <p>Dr Katherine Hartley</p>
<p><u>Deputy Chief Officers</u> (reports directly to non-statutory Chief Officer): None</p>	

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APPENDIX B: DISTRIBUTION OF SALARIES ACROSS THE COUNCIL

**Distribution of salaries across the Council [non schools]
at 1st February 2016**



Salary Band in £5,000 intervals



Governance

LGPS Discretionary Statement

References:

LGPS Regulations 1997
 LGPS (Benefits, Membership & Contributions) Regulations 2007
 LGPS (Administration) Regulations 2008
 Local Government Pension Scheme Regulations 2013
 Local Government Pension Scheme Regulations 2014
 Local Government Pension Scheme (Transitional Provisions & Savings) Regulations 2014
 Local Government Pension Scheme (Amendment) Regulations 2015

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Document Control Sheet

Purpose of document:	This procedure is to set out how the council will deal with certain discretionary decisions in respect of the LGPS.
Type of document:	Policy
Document checked by Legal	Yes 100216 CMT agreement 170216. Confirmed that this should form part of the Pay Policy.
If applicable, has an initial Equality Impact Assessment (EIA) been completed?	Not Applicable – low significance change
Document lead and author:	Karen Craig - HR
Dissemination:	All new and updated policies and procedures are notified to entire workforce via insite and a variation letter. This policy is also submitted to LGSS, EPM and Serco. All documents are also posted onto the Employee Information pages of Insite.
What other documents should this be read in conjunction with:	None
Who will review the document (job title):	Senior HR Consultant (Policy Development)
Why is this document being reviewed?	Requirement of the pension scheme rules to review policy. LGPS (Amendment) Regulations 2015 included new discretion 16(16)

Revisions

Version No.	Page/ Paragraph No.	Description of amendment	Date approved
5	All	Reviewed – no changes to existing discretions. One new discretion added regarding extending the deadline for employer contributions to a SPC.	

Local Government Pension Scheme Discretionary Policy – Part A (2014 scheme)

Background

The regulations of the LGPS require every employer to (i) issue a written policy statement on how it will exercise the various discretions provided by the scheme, (ii) keep it under review and (iii) revise it as necessary.

Flexible Retirement

Local Government Pension Scheme Regulations 2013 Regulation 30 (6)

Local Government Pension Scheme (Transitional Provisions & Savings) Regulations 2014 Regulation 11 (2)

Peterborough City Council will consider requests from employees aged 55 or over to reduce their hours, or move to a position on a lower grade, and elect in writing to draw some or all of the pension benefits already built up. Where there is a cost to Peterborough City Council it is unlikely that the request will be agreed.

In addition the employee would need to:-

- Reduce their working week by at least 40% or
- Reduce their grade by at least two grades.

The revised pay plus standard pension must not exceed the pay prior to flexible retirement. Employees who have flexibly retired may not subsequently apply for positions within a Peterborough City Council employment that would result in either an increase in hours or being paid at a higher grade.

This does not preclude younger employees requesting flexible working but without the payment of their retirement benefits.

Flexible Retirement

Local Government Pension Scheme Regulations 2013 Regulation 30 (8)

Where flexible retirement is approved it is not the policy of Peterborough City Council to waive any reduction applied to the pension benefit due to the early payment.

Peterborough City Council will not waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.

85 year rule

Local Government Pension Scheme (Transitional Provisions & Savings) Regulations 2014 Schedule 2, paragraphs 1(2) & 2 (2)

It is not the policy of Peterborough City Council to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 unless:-

- (i) it is to bring an earlier deferred benefit into payment following redundancy, or efficiency retirement of an existing employee from a current job in Peterborough City Council, or
- (ii) if there are compelling, compassionate* reasons to do so.

**Local Government Pension Scheme (Transitional Provisions & Savings) Regulations 2014
3(1), Schedule 2, paragraph 2(1) and 2(2), B30(5) and B30A(5)**

It is not the policy of Peterborough City Council to waive, on compassionate grounds the actuarial reduction applied to benefits from pre 1/4/14 membership where the employer has “switched on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

**Shared Cost Additional Pension Contributions
Local Government Pension Scheme Regulations 2013
Regulation 16 (2) (e) &
Regulation 16 (4) (d)**

It is not the policy of Peterborough City Council to contribute to a Shared Cost Additional Pension Contribution contract.

**Shared Cost Additional Pension Contributions
Local Government Pension Scheme Regulations 2013
Regulation 16 (16)**

It is not the policy of Peterborough City Council to extend the 30 day deadline for a member to elect for a shared cost APC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child related leave or reserve force service leave).

**Additional Pension
Local Government Pension Scheme Regulations 2014
Regulation 31**

It is not the policy of Peterborough City Council to grant additional pension to an active member, or within six months of ceasing to be an active member by reason of redundancy or business efficiency.

Unless an employee who would be eligible for a lump sum compensation payment under our Discretionary Compensation Policy requests that they be awarded, instead, additional pension under the LGPS regulations, which is actuarially equivalent in value to the lump sum compensation payment (in excess of the statutory redundancy payment) that would otherwise have been paid under our Discretionary policy, provided that the award of additional pension would not exceed the statutory limit.

The following discretions are not compulsory to include in the Policy Statement but are recommended to be included:

**Late application (after 12 months of joining) to aggregate two periods of membership
Local Government Pension Scheme Regulations 2013
Regulation 22 (7) and (8)**

It is not the policy of Peterborough City Council to consider allowing the aggregation of two periods of LGPS membership after twelve months of joining unless:

- (i) the scheme member has requested that investigations commence within the twelve month time limit, or
- (ii) if there is reason to believe that the individual would not have known of the need to request an investigation into potential aggregation within the twelve month time limit and the HR and or pension files support this
- (iii) it would have been unreasonable for the scheme member to understand that they had more than one period of service (this being particularly an issue where individuals hold multiple jobs)

**Local Government Pension Scheme Regulations 2013
Regulation 100(6)**

It is not the policy of Peterborough City Council to consider extending the time limit for a transfer in of previous pension rights to proceed after twelve months of joining unless:

- (i) the scheme member has requested that investigations commence within the twelve month time limit, or
- (ii) if there is reason to believe that the individual would not have known of the need to request an investigation into potential transfer in of previous pension rights within the twelve month time limit, and the HR &/or pension files support this, and
- (iii) with the agreement of the administering authority.

**Calculation of pension tier
Local Government Pension Scheme Regulations 2013
Regulations 9 and 10**

The tiered contribution rate for each employee will be based on the total pensionable pay in the previous financial year.

The contribution rate will be re-assessed annually on implementation/application (regardless of when the award is made) of the annual pay award. Re-assessment will take place at any point in the year in the following circumstances:-

- Promotion
- Demotion
- Incremental progression
- Pay award
- Acting up starts/Acting up ceases
- Contractual Allowance starts/Contractual Allowance ceases
- Contractual Hours increase/Contractual Hours decrease.
- Additional hours increase or decrease or
- When there is any significant change in pay.

**Shared Cost Additional Voluntary Contribution scheme
Local Government Pension Scheme Regulations 2013
Regulation 17
Local Government Pension Scheme (Transitional Provisions & Savings) Regulations
2014
Regulation 15 (1) (d)**

It is not the policy of Peterborough City Council to contribute towards a shared cost additional voluntary contributions scheme.

**Assumed Pensionable Pay
Local Government Pension Scheme Regulations 2013
Regulations 21(4)(a)(iv), 21(4)(b)(iv), 21 (5)**

Regular lump sum payments will not be included in the calculation of Assumed Pensionable Pay.

Local Government Pension Scheme Discretionary Policy – Part B (2008 scheme)

Background

The regulations of the LGPS require every employer to (i) issue a written policy statement on how it will exercise the various discretions provided by the scheme, (ii) keep it under review and (iii) revise it as necessary.

LGPS (Benefits, Membership & Contributions) Regulations 2007 Regulation 12

It is not the policy of Peterborough City Council to increase total membership.
(This decision is entirely spent after 30th September 2014 as additional pension can only be awarded to an active member or within six months of leaving under redundancy or business efficiency).

LGPS (Benefits, Membership & Contributions) Regulations 2007 Regulation 30 (2)

It is not the policy of Peterborough City Council to release pension early unless:-

- (i) it is to bring an earlier deferred benefit into payment following redundancy, or efficiency retirement of an existing employee from a current job in Peterborough City Council, or
- (ii) if there are compelling, compassionate* reasons to do so.

LGPS (Benefits, Membership & Contributions) Regulations 2007 Regulation 30 (5)

It is not the policy of Peterborough City Council to waive the actuarial reduction on early payment of pension unless:-

- (i) the payment relates to someone who is being made redundant or taking efficiency retirement from active employment with Peterborough City Council, or
- (ii) if there are compelling, compassionate* reasons to do so.

LGPS (Benefits, Membership & Contributions) Regulations 2007 Regulation 30A (3)

It is not the policy of Peterborough City Council to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60 unless there are compelling, compassionate* reasons for doing so.

LGPS (Benefits, Membership & Contributions) Regulations 2007 Regulation 30A (5)

It is not the policy of Peterborough City Council to waive on compassionate grounds the actuarial reduction applied to benefits paid early under Regulation 30 (A).

Local Government Pension Scheme Discretionary Policy – Part B (2008 scheme)

Background

There are further discretions that are not compulsory to include in the Policy Statement but that are recommended to be included:

LGPS (Administration) Regulations 2008 Regulation 22 (2)

It is the policy of Peterborough City Council to consider an extension in cases where the member of staff was not notified of their rights to pay contributions in respect of a period of absence before returning to work, or ceasing to be employed without returning to work. The extension would be for one month from the date that they were notified of their right to pay.

LGPS (Administration) Regulations 2008 Regulation 16 (4)

It is not the policy of Peterborough City Council to consider allowing the aggregation of two periods of membership after twelve months of joining unless:

- (i) the scheme member has requested that investigations commence within the twelve month time limit, or
- (ii) if there is reason to believe that the individual would not have known of the need to request an investigation into potential aggregation within the twelve month time limit, and the HR &/or pension files support this
- (iii) it would have been unreasonable for the scheme member to understand that they had more than one period of service (this being particularly an issue where individuals hold multiple jobs)

LGPS (Administration) Regulations 2008 Regulation 83 (8)

It is not the policy of Peterborough City Council to consider extending the time limit for a transfer in of previous pension rights to proceed after twelve months of joining unless:

- (i) the scheme member has requested that investigations commence within the twelve month time limit, or
- (ii) if there is reason to believe that the individual would not have known of the need to request an investigation into potential transfer in of previous pension rights within the twelve month time limit, and the HR &/or pension files support this

Local Government Pension Scheme Discretionary Policy – Part C (1997 regulations)

Background:

The following three regulations apply to those employees who left on, or who have an award of deferred benefits in respect of membership up to, a date between 1st April 1998 and 31st March 2008 (inclusive).

LGPS Regulations 1997 Regulation 31 (2)

It is not the policy of Peterborough City Council to release pension early unless:-

- (i) it is to bring an earlier deferred benefit into payment following redundancy, or efficiency retirement of an existing employee from a current job in Peterborough City Council, or
- (ii) if there are compelling, compassionate* reasons to do so

LGPS Regulations 1997 Regulation 31 (5)

It is not the policy of Peterborough City Council to waive the actuarial reduction on early payment of pension unless:-

- (i) the payment relates to someone who is being made redundant or taking efficiency retirement from active employment with PCC or
- (ii) if there are compelling, compassionate* reasons to do so.

LGPS Regulations 1997 Regulation 31 (7A)

It is not the policy of Peterborough City Council to agree at normal retirement date to the payment of benefits resulting from an earlier opt out.

Applicable to whole document:

*Definition of compelling, compassionate reasons

- (i) The member can clearly demonstrate that they have a dependant, with a lifetime expectancy of more than twelve months, who is in need of the member's constant supervision due to a long term illness and as a result the member is suffering from severe financial hardship OR
- (ii) There is another substantial reason (not relating to caring for a dependant who is ill) where the member can demonstrate that they are facing very severe, ongoing financial hardship and will be doing so on a long term basis.

In exceptional circumstances, and only with the prior approval of the chief executive, the council may vary the terms of this policy on an individual basis.

This policy is subject to statute, regulations and council policy. The policy confers no contractual rights, and may be changed at any time as necessary. Only the version of the policy which is current at the time a relevant event occurs (to the member or deferred member) will be the one applied to that member / deferred member.

Each discretion will be dealt with independently.

TABLE DETAILING PAY THAT IS PENSIONABLE AND PAY THAT IS INCLUDED IN THE TIER DETERMINATION.

PENSIONABLE	INCLUDED IN TIER	DESCRIPTION	CALCULATION BASIS
Y	Y	Basic pay	SCP divided by 37
Y	Y	Non Contractual Overtime/Additional Hrs Plain less than 37 hours	SCP divided by 37
Y	Y	Non Contractual Overtime Plain over 37 hrs	SCP divided by 37 - pre authorised up to SCP 43
Y	Y	Non Contractual Overtime Over 37 hours	Basic pay x 1.5 - minimum element 15 minutes - SCP 26 and below only
Y	Y	Non Contractual Overtime Sundays over 37 hours	Basic pay x 2 - minimum element 15 minutes - SCP 26 and below only
Y	Y	Non Contractual Overtime Bank Holidays	Basic pay x 2 - minimum element 15 minutes - SCP 26 and below only
Y	Y	Contractual Overtime Over 37 hours Monday-Saturday	Basic pay x 1.5 - for Monday to Saturday - SCP 26 and below only
Y	Y	Contractual Overtime Over 37 hours Sunday	Basic Pay x 2 for Sunday working - SCP 26 and below only
Y	Y	Weekend Enhancement Saturdays	Basic Pay x 0.5 minimum element 15 minutes as part of normal working week
Y	Y	Weekend Enhancement Sundays	Basic Pay x 0.5 minimum element 15 minutes as part of normal working week
Y	Y	Shift Allowance (24 hrs)	Basic Pay x 21% - set up as permanent addition -SCP 26 and below only
Y	Y	Shift Allowance (More than 15 – Less than 19 hours)	Basic Pay x 14% - set up as permanent addition - SCP 26 and below only
Y	Y	Shift Allowance (More than 11 – Less than 15 hours)	Basic Pay x 7% - set up as permanent addition - SCP 26 and below only
Y	Y	Split Shift	Basic Pay x 1% - set up as permanent addition - SCP 26 and below only
Y	Y	Night Rate	Basic Pay + 1/3 - SCP 26 and below - night workers can claim weekend payments
N	N	Stand by per session	

N	N	Call Out minimum	Basic pay @ 2 hours - all employees up to SCP 49
N	N	Call Out hourly Monday – Saturday	Basic pay x 1.5 - minimum element 15 minutes - SCP 26 and below only
N	N	Call out hourly Sunday	Basic Pay x 2 - minimum element 15 minutes - SCP 26 and below only
N	N	Call out Plain	Basic pay - plain time paid to employees on SCP 27 - 49 All days - minimum element 15 minutes
N	N	Call out hours Bank holidays	Basic pay x 2 - minimum element 15 minutes - SCP 26 and below only
N	N	Call out hours Bank holidays	Basic Pay - plain time paid to employees on SCP 27 - 49
N	N	Call out Travelling time	Basic pay - minimum 15 minutes - maximum 0.5 hrs. - all employees
Y	Y	Acting Up Allowance	Determined rate - payable after 4 weeks regular review
N	N	Honoraria	Determined rate – one off payment
Y	Y	Market Supplement	Determined rate - regular review
N	N	Payment in consideration of loss of future pensionable payments	12 months full pay/ 6 months half pay /no pay award
N	N	Compensation (Equal Pay)	
Y	Y	All Arrears	
Y	Y	First Aid	
Y	Y	Non -Consolidated Allowance	Payment to raise basic pay to agreed local living wage amount or other.
To be assessed on a twelve monthly arrears basis at commencement of financial year.			