



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Policy and Strategy Committee

PAY POLICY

Report of the Chief Fire Officer

Date: 08 July 2016

Purpose of Report:

To agree a Pay Policy statement for approval by the Fire Authority, in line with the requirements of the Localism Act 2011, and to review the terms of the Service's Discretionary Compensation Payment Policy.

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1. BACKGROUND

- 1.1 The Localism Act 2011, Section 38(1), places a requirement on 'relevant authorities' to prepare pay statements for each financial year. This duty commenced in the financial year 2012/13.
- 1.2 The Fire Authority is a 'relevant authority' as defined by section 43(1) of the Act.
- 1.3 Pay statements must articulate an authority's own policies towards a range of issues relating to the pay of its workforce, particularly those of its senior Officers and its lowest paid employees.
- 1.4 The pay statement must be agreed by the Fire Authority annually, and be published and accessible.

2. REPORT

REQUIREMENTS OF THE LOCALISM ACT

- 2.1 The basis for Section 38(1) of the Act reflects the recommendations of the Hutton Report on Fair Pay in the Public Sector, published in March 2011. The Act drew on these recommendations to emphasise the need for accountability, transparency and fairness in the setting of local pay and placed a requirement on elected Members to take a greater role in determining pay, and that such decisions should be set clearly within the context of the pay of the wider workforce.
- 2.2 To this end, pay policy statements must be considered by the full Authority and may not be delegated to a sub-committee. Any meetings at which pay policy is established must be open to the public.
- 2.3 Additionally, the full Authority should be offered the opportunity to vote before large salary packages are offered in respect of new appointments. The threshold to be set at packages valued at £100k and to include bonuses, fees and allowances and any benefits in kind.
- 2.4 The published policy statement must specifically include the approach to the publication of and access to information relating to the remuneration of Chief Officers and Deputy Chief Officers.
- 2.5 The statement must also set out the policy on remuneration for highest and lowest paid employees and establish the relationship between the remuneration of its Chief Officers and other employees. The Authority does not currently use a pay multiple to establish a differential between the highest and lowest paid employees, and it is not intended that such a pay multiple be established within the current pay policy as pay is determined through robust

evaluation processes and in-line with National Joint Council agreements applicable to all members of staff.

- 2.6 The policy must also set out the approach to other elements of remuneration, including bonuses, performance related pay and severance payments.
- 2.7 The policy also needs to set out the position taken on re-engagement of Chief Officers in receipt of a pension (including under a contract for services), and any abatement measures in place across the workforce.
- 2.8 Details of severance payments, including redundancy, must also be explicit within the policy.
- 2.9 The Statement of Pay Policy is attached as Appendix B to the report.

PAY POLICY 2015-16

- 2.10 The Authority last considered and agreed a Pay Policy in 2015. The attached document updates this policy to reflect policy for the year 2016-17.
- 2.11 The policy provides a summary of pay policy and practices across the Service and, in particular, details the pay policy for the Chief Fire Officer and other Principal Officers.
- 2.12 The main changes to the policy are as follows:
 - Reference to the new national living wage (Paragraph 1.2);
 - Updates to pay information relating to mean average pay and pay multiples (Paragraphs 1.8 and 1.9);
 - Confirmation of national annual pay awards payable in 2015 (Paragraphs 2.4, 3.2, 4.2);
 - Confirmation that no pay award was made to Principal Officers under local pay review arrangements (Paragraph 2.13);
 - Reference to the dis-establishment of the role of Strategic Director for Finance and Resources (Paragraph 2.14);
 - Update to minimum rate of pay for Chief Fire Officers by population size (Paragraph 2.22);
 - Update of the cost of corporate health care scheme membership (Paragraph 2.10.5);
 - Confirmation that compensation payments were agreed in eight cases in 2015-16 (Paragraph 6.3). These were all agreed as part of redundancy payments;

- Confirmation that settlement payments were agreed in two cases in 2015-16 (Paragraph 6.4);
- Reference to new public sector exit payments regulations (Paragraph 6.5 and 6.6);
- Confirmation that early payment of pension was agreed in five cases in 2015-16 (Paragraph 6.7). These were paid to eligible pension scheme members over 55 as part of voluntary redundancy arrangements;
- Update on employer pension scheme contributions (Paragraphs 2.10.2; 3.7; 4.6)

DISCRETIONARY COMPENSATION PAYMENTS SCHEME

- 2.13 Under the provisions of Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, the Authority is required to publish its policy on discretionary compensation payments made to employees who are, or could be, members of the Local Government Pension Scheme.
- 2.14 The policy refers to the power of the Authority to make a discretionary compensation payment (severance payments) to an employee, under Regulation 4, whose employment is terminated:
- By reason of redundancy;
 - In the interests of the efficient exercise of the employing authority's functions;
 - In the case of joint appointment, because the other holder of the appointment has left it.
- 2.15 Additionally, the Authority may agree to a request for early retirement and payment of benefits before the normal retirement age.
- 2.16 The Authority last considered the Discretionary Compensation Payments Scheme policy in 2007. The policy has since been updated to reflect changes to pension scheme regulations and the latest version is attached as Appendix C. This includes reference to discretions exercised by the Authority in respect of the Local Government Pension Scheme.
- 2.17 In terms of compensation payments linked to redundancy, the Human Resources Committee, at its meeting on 22 July 2011, subsequently agreed that payments would be based on gross salary and enhanced in accordance with the discretionary payment matrix.
- 2.18 The discretionary compensation matrix is set out in the appendices to the Discretionary Compensation Payments policy and represents the level of

enhanced pay applied by the Authority based on age and length of service. The current enhancement uses a multiplier of 2.2 for each week of service.

- 2.19 Payments are normally capped at 66 weeks, although this can be enhanced to up to 104 weeks in exceptional circumstances.
- 2.20 A Discretionary Compensation Payments Board, comprising of the Deputy Chief Fire Officer, Head of Finance and Head of People and Organisational Development, review all applications for compensation payments, and make a recommendation to the Human Resources Committee with details of any relevant factors in their decision making. If approved, a report is then presented to the full Fire Authority for final approval to ensure the highest level of scrutiny is applied.
- 2.21 The final compensation payment figure is calculated exclusive of statutory redundancy payments i.e. the total payment to the employee is made up of statutory redundancy pay and a compensation payment. Payment of notice (if applicable), accrued leave entitlement and other contractual payments are applied separately.
- 2.22 In a report to Policy and Strategy Committee on 29 April 2016, a paper set out new regulations currently being implemented in respect of exit payments. This related to a statutory cap to compensation payments of £95k, and a requirement to repay all or part of a compensation payment if an employee earning more than £80k per annum returned to a public sector role within 12 months of receiving a termination payment.
- 2.23 A question still remains where the sum of pension strain and statutory redundancy payments exceed the £95k cap, as both of these payments must be paid to comply with other statutory provisions. This question has been raised with civil servants and the Service is currently awaiting a response.
- 2.24 A draft policy on the Repayment of Exit Payments is attached at Appendix D, which reflects the statutory regulations.
- 2.25 The application of the exit payment cap is contained within an amended Discretionary Compensation Payments Scheme Policy, attached at Appendix C.
- 2.26 As part of the review of the discretions under this policy, the Chief Fire Officer was asked to consider the enhancement of compensation payments applied by other local authorities. The East Midlands Councils were asked to collate information via a survey to local public sector bodies to establish pay policy in this area in May 2016; the full outcomes of this survey are attached as Appendix E to this report.
- The outcomes from the survey show that there is a mixed picture. There are eight authorities who utilise the statutory minimum provisions, all others base redundancy on gross pay, and utilise multipliers as articulated in the table below.

Multiplier	x 1	x 1.3	x 1.5	x 1.65	x 2	x 2.2	x 2.66	x 4
Number	3	1	3	1	2	1	1	1

2.27 In applying the above multipliers to an employee earning salary of £20k per annum, at age 45 with 12 years-service, the table below sets out the differences in payments:

Multiplier	x 1	x 1.3	x 1.5	x 1.65	x 2	x 2.2	x 2.66	x 4
Total payment (including statutory redundancy)	14 wks £5370	18 wks £6904	21 wks £8055	23wks £8822	28 wks £10740	31 wks £11890	37 wks £14192	56 wks £21479

2.28 It can be seen that there is a significant difference in compensation payments depending on the multiplier applied – the lowest payment would be the application of the statutory redundancy formula only (x1). The current multiplier applied by the Service (x2.2) would lead to a payment equivalent to 31 week’s pay, which represents an additional compensation payment of £6,520.

2.29 It may be of interest to note that the Nottinghamshire County Council apply a multiplier of 1.65 to redundancy payments (capped at 50 weeks), and that the City Council apply the statutory redundancy payment only.

2.30 The current multiplier of 2.2 is slightly higher than the average of 1.8, but well within the range of between 1 and 4.

2.31 Compensation payments, other than statutory redundancy payments, are set and agreed locally by the Fire Authority and therefore may be reviewed at its discretion. However, any changes to the existing policy would represent a change to terms and conditions of employment for support and control employees, and therefore would be subject to consultation with the relevant representative bodies.

2.32 Members will also be aware that these discretions are only applicable to staff who are eligible to be members of the Local Government Pension scheme, and therefore do not apply to whole-time or retained duty system firefighting staff. For these staff the statutory minimum provisions are applied.

2.33 As part of the ongoing strategy of the Authority to avoid where reasonably practicable the need for compulsorily redundancies, the use of voluntary redundancies has been very successful, and one of the key factors considered by an employee when determining if this route is suitable for them is the resultant financial package.

2.34 At a time of uncertainty for the Service the removal, or reduction in value, of the compensation package linked to termination of employment, is likely to

have a detrimental impact of employee relations. It may also make it more difficult to effect a reduction in workforce numbers through voluntary redundancy measures, and make it more likely that selection for compulsorily redundancy will be required.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report. The adoption of the Repayment of Exit Payments Policy and the amendment to the Discretionary Compensation Payments Policy in respect of an exit payment cap may have financial impacts in the future, which would be taken into account by affected individuals and by the Fire Authority when making future decisions regarding the termination of employment.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

- 4.1 The Service already has in place a number of policies and agreements in relation to pay and remuneration, appointments and severance payments. However, the provisions of the Localism Act 2011 place a requirement on all public bodies to publish such information as a single Pay Policy and make it accessible to external scrutiny.
- 4.2 The proposed update to the Discretionary Compensation Payments Policy to take account of the exit payment cap, and drafting of a Repayment of Exit Payments, complies with statutory requirements under the Public Sector Exit Payments regulations 2016 and Repayment of Public Sector Exit Payment regulations 2015. In the future, the Service will be required to report against the regulations on an annual basis.
- 4.3 Any change to compensation payments would represent a change to current terms and conditions of employment, and would therefore require consultation with the representative bodies. It is likely that the removal, or reduction in value, of the compensation package will adversely impact upon employee relations and the potential to reduce workforce numbers through voluntary redundancy.

5. EQUALITIES IMPLICATIONS

- 5.1 There are no direct equalities implications arising from the Pay Policy itself, as this is a statement of current pay policy and practice. An Equality Impact Assessment forms part of the policy development process.
- 5.2 An initial equality impact assessment (EIA) has been undertaken into the impact of changing the way that discretionary compensation payments are currently calculated and is attached to this report at Appendix A.

- 5.3 The initial EIA suggests that changes to the discretionary compensation payment scheme, which applies only to Local Government Pension Scheme members (support and control employees), may have an adverse impact for the following reasons:
- (i) As there are proportionately more women than men employed in support and control roles (56.4%), it could be argued that any change is likely to have a disproportionate impact on female employees.
 - (ii) The proposed changes to exit payments may also impact upon older workers and/or those with long service, as the current compensation scheme includes these factors in determining an exit payment.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

- 7.1 The Localism Act places a statutory duty on Authorities to publish an annual Statement on Pay Policy commencing in the financial year 2012-13. The publication of the Pay Policy meets this obligation.
- 7.2 The impact of new regulations which affects the payment and repayment of public sector exit payments is contained with the Public Sector Exit Payment regulations 2016 and Repayment of Public Sector Exit Payment regulations 2015.

8. RISK MANAGEMENT IMPLICATIONS

As the Localism Act places a statutory duty on the Fire Authority, the Authority must be in a position to publish its agreed position on pay and remuneration each year. A failure to do so may lead to legal challenge.

9. RECOMMENDATIONS

It is recommended that Members:

- 9.1 Endorse the Statement of Pay Policy at Appendix B and agree for it to be presented to the full Fire Authority for approval.
- 9.2 Endorse the revised Discretionary Compensation Payments Scheme Policy at Appendix C.
- 9.3 Approve the adoption of Repayment of Exit Payments Policy at Appendix D

10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

John Buckley
CHIEF FIRE OFFICER

Initial Equality Impact Assessment.

APPENDIX A

This questionnaire will enable you to decide whether or not the new or proposed policy or service needs to go through a full Equality Impact Assessment.

Title of policy, function, theme or service:		Discretionary compensation payments scheme policy (DCPS)							
Name of employee completing assessment:		Head of People and OD				Department and section: People and OD			
1.	State the purpose and aims of the policy or service and who will be responsible for implementing it.								
	<p>The policy sets out how the Service exercises its discretionary powers under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and under the provisions of Regulations 5 and 6 of the Local Government (Early Termination of Employment (Discretionary Compensation) Regulations 2006.</p> <p>This relates to additional payments which may be awarded to employees under certain circumstances, including redundancy, early retirement, and which must be authorised by the Fire Authority.</p> <p>The current policy applies a multiplier of 2.2 to redundancy payments made to members of the Local Government Pension Scheme. The Authority is currently considering changing this multiplier.</p>								
2.	Please indicate below if the effect of the policy, function, theme or service will be positive, negative, neutral or unknown.								
	Age	Disability	Family status	Gender	Race	Sexual Orientation	Religion and Belief	Vulnerability	Rurality
Employees	X			X					

Public	NA	NA	NA	NA	NA	NA	NA	NA	NA	
3.	<p>Please explain the impact you have identified.</p> <p>There is potentially an indirect impact on the basis of age as those mostly likely to be detrimentally impacted by reduction in the current formula for calculating compensatory pay will be older with a longer length of service. The impact would be to reduce the compensation payment that they would receive under current arrangements.</p> <p>There is potentially an indirect impact on the basis of gender, as the majority of LGPS members affected by any change to the level of compensation are women (56.4% of all support and control staff). In the last two years, 10 of 18 voluntary redundancies affected have been women (55.6%).</p>									
3a)	<p>Please explain any steps you have taken or may take to address the impact you have identified.</p>									
4.	<p>Identify the individuals and organisations that are likely to have an interest in, or be affected by the policy, function, theme or service. <i>This should identify the persons/organisations that may need to be consulted about the policy or service and its impact.</i></p> <p>Trade unions Employees undertaking support or control roles.</p>									
5.	<p>Has consultation (with the public, managers, employees, TUs etc) on the policy, function, theme or service been undertaken?</p>							No	No	
5a.	<p>Please provide details for your answer including information regarding when consultation will take place if you have ticked yes.</p>									

6.	Has the Equality and Diversity Officer been contacted?	Yes		No	
6a.	If Yes please outline below the outcomes/concerns highlighted in the discussion.				
If No please ensure that the Equality and Diversity Officer is contacted.					
If Yes , Please record here the date the Equality and Diversity Officer was contacted regarding this initial equality impact assessment.					
Date: 27/06/16					
7.	Has monitoring been undertaken?	Yes			
8.	What does this monitoring show? Slightly more women (55.6%) have received compensation payments than male colleagues due to voluntary redundancy in the last three years (2013-2016).				
9.	If you have answered no to question 7 can a monitoring system be established to check for impact on the protected characteristics?	Yes		No	
10.	Please describe how monitoring can be undertaken and identify this monitoring system as an objective when completing the action plan below.				
11.	If a monitoring system cannot be established please explain why this is.				
12.	Did the Equality and Diversity Officer advise to proceed with a full EIA? Please provide full details of the decision. No				
13.	Proceed to full Equality Impact Assessment?			No	



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APPENDIX B

Nottinghamshire and
City of Nottingham Fire Authority

Statement of Pay Policy 2016/17



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Introduction

This statement of Pay Policy is provided in line with Section 38(i) of the Localism Act 2011 and is authorised by the Nottinghamshire and City of Nottingham Fire Authority.

Purpose

The purpose of this statement is to provide transparency to the pay policy adopted by the Nottinghamshire Fire and Rescue Service.

Accountability

The Combined Fire Authority is responsible for establishing the pay policy for the employees of the Nottinghamshire Fire and Rescue Service.

The Combined Fire Authority is directly responsible for reviewing the pay structure for Principal Officers including the Chief Fire Officer, Deputy Chief Fire Officer, Assistant Chief Fire Officer roles.

The Chief Fire Officer has delegated responsibility to establish appropriate gradings and salaries for all other employees of the Nottinghamshire Fire and Rescue Service.

Pay Negotiating Bodies

The Authority applies the annual pay settlements negotiated by:

- The National Joint Council for Local Government Services
- The National Joint Council for Local Authority Fire and Rescue Services
- The National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services

The Authority undertakes negotiations with its recognised representative bodies on local agreements which affects the terms and conditions of its employees and which may include agreement of local allowances.

The Representative Bodies recognised for negotiating purposes are:

- The Fire Brigade's Union
- The Fire Officers Association
- UNISON
- The Association of Principal Fire Officers
- The Retained Firefighters Union

Section One - General Pay Policy

- 1.1 The Authority applies the pay scales adopted by the respective national Joint Councils for all its employees up to the level of Principal Officer.
- 1.2 The Authority has adopted the principle of applying the Living Wage rate as the minimum starting point for all substantive appointments. This is subject to annual review by the Centre for Research in Social Policy. From April 2016, the Service will also adhere to the National Living Wage rate (for employees over 25) where this is higher than the Living Wage.
- 1.3 Local pay arrangements for Principal Officers are established through the provisions of the NJC for Brigade Managers of Local Authority Fire and Rescue Services and are reviewed bi-annually by the Fire Authority. Further details are set out in Section 2
- 1.3 The number and level of roles within the Service are determined by the Fire Authority on advisement from the Chief Fire Officer.
- 1.4 Pay policy reflects the different roles, duties and responsibilities undertaken by Service employees. This is reflected in pay differentials between different groups of workers and between workers in the same pay group. The pay bands established are based on nationally applied role maps (operational employees) or grading bands established through a job evaluation process (support employees).
- 1.5 Pay policy reflects adherence to the principle of “equal pay for work of equal value”. The Service has committed to undertake an independent equal pay audit on a 3-yearly basis as a means of identifying any gender pay issues.
- 1.6 In applying its policy, the Authority will work to eliminate any elements which may, directly or indirectly, discriminate unfairly on the grounds of sex, race, colour, nationality, ethnic or national origin, age, marital status, having dependants, sexual orientation, gender reassignment, religion or belief, trade union activity, disability or any other factors. Part-time workers receive the same pay and remuneration as full-time workers undertaking the same job role on a pro-rata basis.

Generic pay information

1.7 Mean Average Pay

The mean average pay is calculated based on salary for Fire-fighters, Control and support employees. It does not include Retained Duty System Fire-fighters who are paid according to turn-outs (please refer to section 3.6).

The mean average pay for 2015-16 is £30,969 (as at 01/04/16). This compares to a mean average of £30,216 in 2014-15.

1.8 Pay multiples

The idea of publishing the ratio of the pay of an organisation's top earner to that of its median earner has been recommended in order to support the principles of Fair Pay (Will Hutton 2011) and transparency.

The current ratio is 2.6:1, which compares to 2.5:1 in 2014-15. This will be monitored each year within the Statement of Pay Policy.

Section Two - Pay Policy for Principal Officers

2.1 General Principles

- 2.1.1 National pay awards negotiated by the National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services are applied by the Authority on an annual basis. This represents a cost-of-living increase.
- 2.1.2 In addition, a review of Principal Officer pay is undertaken on a two-yearly basis by the Combined Fire Authority. This is managed through the Policy and Strategy Committee and is approved by the full Combined Fire Authority.
- 2.1.3 This review is undertaken by the Clerk to the Fire Authority and Treasurer to the Fire Authority, who are appointed by the CFA to report to the Authority on the methodology applied and to make recommendations on Principal Officer pay. The last pay review was undertaken in 2015 and recommended no increase in pay for Principle Officers.
- 2.1.4 Principal Officer roles covered by the review include the Chief Fire Officer, Deputy Chief Fire Officer, Assistant Chief Fire Officer, The role of Assistant Chief Officer (Director of Finance and Resources) was made redundant in September 2015.

2.2 Establishing the Pay of the Chief Fire Officer

- 2.2.1 The National Joint Council for Brigade Managers of Fire Authorities establishes a minimum salary for Chief Fire Officers based upon population size as follows:

- Population band 1: up to 500,000
- Population band 2: 500,001 – 1,000,000
- Population band 3: 1,000,001 – 1,500,000
- Population band 4: 1,500,000 and above (except London)
- Population band 5: London

- 2.2.2 The population size for the Nottinghamshire Fire and Rescue Service is 1.1m. The minimum payment for the Chief Fire Officer is therefore

based upon Population Band 3 which establishes a minimum rate of pay for 2015-16 at £108,881.

- 2.2.3 The base salary for the Chief Fire Officer role at Nottinghamshire Fire and Rescue Service is currently £148,842 within the range £133,958 to £148,842 per annum. Please refer to paragraph 2.3.1 for further details of pay policy on appointment.
- 2.2.4 Additionally, a car is provided for business use up to a value of £11,088 per annum. All private mileage is reimbursed to the Authority at HMRC approved rates.
- 2.2.5 Pension: The Service makes an employer contribution of 21.7% (1992 scheme), 11.9% (2006 scheme) or 14.3% (2015 scheme) depending on individual membership. This is in accordance with the contribution made to all members of the Firefighter's Pension Scheme (1992). The employee contribution for 2016 is either 16.5-17% (1992 scheme), 12.1-12.5% (2006 scheme) or 13.5- 14.5% (2015 scheme) of pensionable pay.

2.3 Local Pay Review

- 2.3.1 In 2013 the CFA revised the payment for Principal Officers from a single pay point to a 3-point model based upon length of service, as follows:
 - Year One of appointment: 90% of full pay
 - Year Two of appointment; 95% of full pay
 - Year Three of appointment: 100% of full pay

Progression through the pay band is subject to a review of performance.

- 2.3.2 The CFA has also revised the methodology for the review of Principal Officer pay based upon a comparator for the role of Chief Fire Officer. The review compares the pay levels of comparable Fire and Rescue Authorities in the same Family Group of 18 Fire and Rescue Services, and establishes an average median pay point as a benchmark salary which is taken into account by the Combined Fire Authority when reviewing Principal Officer pay on a 2-yearly basis.
- 2.3.3 The pay review undertaken in 2015 did not support a pay increase for Principal Officer roles. The next pay review is scheduled for 2017.

2.4 National Pay Review

The national pay review undertaken by the NJC for Brigade Managers of Fire and Rescue Services applied an increase of 1%, with effect from 1st January 2016.

2.5 Other Principal Officer Pay

The Authority has established a policy that Principal Officer roles below that of Chief Fire Officer would be paid as a proportion of the locally agreed Chief Fire Officer base pay rate as follows:

- Deputy Chief Fire Officer - 82.5%
- Assistant Chief Fire Officer - 75%

2.6 Publication of Principal Officer Pay

Details of Principal Officer Pay are published on the Nottinghamshire Fire & Rescue Service internet site. This can be found by clicking on the section About Us>Access to Information>Local Transparency Data>Local Transparency Reports.

2.7 Principal Officer – internal pay comparators

2.7.1 In 2015-16, the lowest paid role within the Service was £16,120 (fte), which reflects the Authority's commitment to the living wage, the highest paid role within the Service is £140,053. The Service does not have a policy of direct correlation between the highest and lowest paid roles i.e. it does not apply a pay multiple in establishing Principal Officer pay.

2.7.2 The ratio of pay between the highest paid employee of the fire service and a median salary is set out in paragraph 1.9.

2.7.3 The pay (including rota allowances) of the most senior officer below Principal Officer (Area Manager) is 62.3% of Assistant Chief Fire Officer pay and 47% of Chief Fire Officer pay.

2.7.4 During 2015 the role of Head of Finance and Resources was dis-established and three senior support roles upgraded to an Area Manager equivalent for pay purposes. The pay of the most senior support role (at salary maximum) below Principal Officer (Area Manager – Support) is 50.7% of Assistant Chief Fire Officer pay and 39.6% of Chief Fire Officer pay.

It should be taken into account that the salaries of Principal Officers and other flexi-duty officers reflects a requirement to provide duty cover on a 24/7 rota basis.

2.8 Re-engagement

Principal Officers are subject to the same Re-engagement provisions as other Service employees. These are set out in more detail in Section 5.

2.9 Severance Payments

Principal Officers are subject to the same severance arrangements as other Service employees. These are set out in more detail in Section 6.

2.10 Other allowances

2.10.1 A car is provided for business use to Principal Officers (other than the Chief Fire Officer) up to the value of £8,022 per annum. All private mileage usage is reimbursed at the HMRC approved rate.

2.10.2 Pension: The Service makes an employer contribution of either 21.7% (92 scheme), 11.9% (2006 scheme) or 14.3% (2015 scheme) depending on scheme membership. This is in accordance with the contribution made to all members of the Firefighter's Pension Schemes. The employee contribution for 2016 will be between 12.2% and 16% (92 scheme), between 9.4% and 11.7% (2006 scheme) and 10% to 13.5% (2015 scheme) of pensionable pay.

2.10.3 Business mileage is reimbursed using fuel cards.

2.10.4 Subsistence allowances: reimbursement of expenses when working away from the home work base.

2.10.5 All employees are members of a corporate health scheme which provides cash-back for dental, optical and consultancy fees, and access to MRI, PET scans and counselling support. This is at a cost of £59.52 per employee per annum. Principal Officers are also members of this scheme.

Section Three - Pay Policy for Fire-fighters

- 3.1 This policy applies to Whole-time, Retained Firefighters and Control staff.
- 3.2 National pay awards negotiated by the National Joint Council for Firefighters of Local Authorities Fire and Rescue Services are applied by the Authority on an annual basis. This represents a cost-of-living increase. A 1% pay award was applied by the NJC for Local Authority Fire and Rescue Services from 1st July 2015.
- 3.3 Pay is based upon the role undertaken and the stage of competence of each individual i.e. trainee, in development and competent.
- 3.4 A formal assessment of individuals is undertaken at each stage of development before moving to the next salary level. Maintenance of competence is a requirement at all levels of the Service and is reviewed annually.
- 3.5 Progression between roles is subject to a competitive selection process.

Retained Duty System

3.6 Employees employed on the Retained Duty System are paid an annual Retaining Fee and receive subsequent payments based on attendance at incidents and other activity – these include attendance at drill nights, disturbance fees, turnout fees, attendance fees, training fees, other authorised NFRS duties and compensation for loss of earnings. All payments are made in line with nationally agreed pay scales and rates.

3.7 Other allowances and payments

Pension contributions: the Service makes an employer contribution of 21.7% of salary (1992 scheme), 11.9% of salary (2006 scheme) or 14.3% (2015 scheme) of salary (2015 scheme) for members of the Fire-fighter's Pension Scheme. The employee makes a contribution of between 12.2% and 16% (1992 scheme), 9.4% and 11.7% (2006 scheme) or 10% and 14.5% (2015 scheme) of pensionable pay.

Flexible duty payment: under national conditions of service, a flexible duty payment is made to Station Managers, Group Managers and Area Managers who provide flexible duty cover on a 24/7 rota basis and who are available to attend emergency incidents when required, and provide Duty Officer cover. This is paid at an allowance of 20% of base salary.

Area Manager rota payment: under local arrangements, Area Managers are paid a rota payment equating to 11.67% of base salary.

Acting up: An allowance is paid on a daily basis where employees temporarily undertake the duties of a higher graded role. This is paid at the rate applicable to the role being undertaken. Employees must be qualified to undertake the higher level role.

Overtime rates: paid for roles below Station Manager. This is paid a time and a half or double time on public holiday or time may be granted in lieu at the appropriate enhanced rate.

Detachments: paid when operational employees are required to provide cover at other stations. Paid at 2 hours overtime rate.

Recall to duty: paid at a minimum of three hours at double time rates.

Continuous Professional Development Payment (CPD): Under national conditions of service, a CPD payment is approved annually on an individual basis for employees with more than 5 years of service (since attaining competence in role).

This is paid as an annual payment of £894 (whole-time FF-WM), £1072 (whole-time SM-AM) and £223.56 (retained). The payment made to retained duty system employees is paid on pro-rata basis (25% of full value).

The payment is made by application and authorised at a senior management level. To be eligible, an individual must demonstrate evidence of CPD over and beyond that required for competence and have a good attendance, performance and disciplinary record.

Additional Responsibility Allowance (ARAs): may be paid where employees perform duties outside of the national role map. At NFRS, two levels of payment are applied. The lower level is paid at £250 per annum and the higher level at £500 per annum. There are 74 higher level ARAs and 6 lower level in payment at the current time. Payments are conditional upon individual's performing additional duties / responsibilities and maintaining competence in these areas, this may include taking professional or vocational qualifications.

National Resilience Payment: a local payment is made for employees volunteering for crewing of the High Volume Pump, Enhanced Command Support Vehicle and Incident Response Unit which form part of the national resilience network. Volunteers are available on an on-call basis and could be required to operate outside of the county to respond to national emergencies. Current payments are £500 per annum and there are 27 employees receiving this payment, and 3 receiving a higher level co-ordinators allowance of £1000. The payment is funded by national grant.

Special Response Team: a local payment is made for employees volunteering for this tactical response team. Volunteers are available on an on-call basis. Current payments are £500 per annum and there are 56 employees receiving payments and 3 receiving £1000 for co-ordinating activity.

Incident Liaison Officers: a local payment is made for employees volunteering to be Incident Liaison Officers at Special Response incidents. Volunteers are available on an on-call basis. Current payments are £500 per annum and there are 6 employees receiving payments.

Messing allowance: Paid to station personnel who are responsible for catering arrangements on fire stations.

Spoilt meals: Paid when prepared meals are uneaten as a result of attending an emergency call-out.

Kit Carrying allowance: business mileage rate as per national conditions paid to compensate operational employees who are required to transfer fire kit in their own vehicles.

Travel allowance: a local allowance to cover additional travel costs when an operational employee is compulsorily transferred to another work base. A payment is made of the difference in mileage undertaken and is paid for 3 years (compulsory transfer) or 18 months (promotion).

Essential Car User: A lump sum is paid to employees who are required to use their own vehicles to undertake their job role. This is based on nationally determined allowances. The allowance may be off-set against leasing arrangements for a vehicle, the balance of which is paid by the employee.

Business mileage is reimbursed in line with nationally agreed rates.

Subsistence allowances: reimbursement of expenses when working away from the home work base.

Clothing allowance: Paid to Control employees for provision of uniform (where this is not provided by the Service), and to female operational employees for the provision of maternity wear.

Reimbursement of medical fees: this only applies to employees whose service commenced before November 1994. The reimbursement of fees cover dental, optical and prescription fees and are paid at NHS rates.

Health scheme membership: all employees are members of a corporate health scheme which provides cash-back for dental, optical and consultancy fees and access to MRI, PET scans and counselling support. This is at a cost of £59.52 per employee per annum.

Section Four - Pay Policy for Support Roles

- 4.1 This policy applies to employees covered by the NJC for Local Government Services and includes all non-operational support staff.
- 4.2 National pay awards negotiated by the National Joint Council for Local Government Services are applied by the Authority on an annual basis if applicable. This represents a cost-of-living increase. A lump sum pay award of between £100- £325 was applied by the NJC for Local Government Services in December 2014, and an average 2.2% increase from 1st January until 31st March 2016. A 1% award has been applied from 1st April 2016.
- 4.3 The Authority has a locally agreed grading structure, which uses nationally recognised salary points (spinal column points) across 9 grading levels. Each level is comprised of 5 salary points. Movement between grades is through a competitive selection process.
- 4.4 A job evaluation process, based on the national model, assesses all roles and allocates an appropriate grade according to the duties and responsibilities undertaken. Employees may apply for a review of their grade where permanent, substantial and material changes have increased the level of duties and responsibilities attached to their role. Any substantive changes to grade must be authorised by the Chief Fire Officer and reported to the Authority.
- 4.5 On an annual basis, employees progress incrementally through their respective grade until they reached the maximum point of their grade. Progression is subject to satisfactory performance.

4.6 Other allowances and payments

Pension contributions: the Service makes an employer contribution which equates to 12.6% for all members of the Local Government Pension Scheme. The employee makes a contribution of between 5.5% and 10.5% of pensionable pay depending on their salary band.

Overtime: Paid up to Grade 5, at the rate of time and a half and double time for weekend and public holidays. Time in lieu may be taken as an alternative to payment.

Acting up: An allowance is paid if an employee is required to a higher level role for a period of more than one month.

Honorarium: A discretionary payment may be made, with the approval the Strategic Director – Corporate Support, for duties undertaken outside of the normal job requirements for an extended period of time. The maximum payable is £1000. Any payments above £1000 must be approved by the Fire Authority.

Stand by: Employees required to attend work outside of normal office hours or to be on-call are paid an allowance depending on the nature of the arrangements.

Essential Car User: A lump sum is paid to employees who are required to use their own vehicles to undertake their job role. This is based on nationally determined allowances.

Business mileage is reimbursed in line with nationally agreed rates.

Disturbance: Paid when an employee is required to move work location. Actual additional mileage is paid for a period of 4 years.

Subsistence allowances: reimbursement of expenses when working away from the home work base.

Health scheme: All employees are members of a corporate health scheme which provides cash-back for dental, optical and consultancy fees, and access to MRI, PET scans and counselling support. This is at a cost of £59.52 per employee per annum.

Section Five - Policy on Re-engagement and Pension Abatement

- 5.1 This applies where individuals retire from the Service, and draw pension benefits, and are subsequently re-engaged into the same or other role with the Nottinghamshire Fire and Rescue Service. The policies set out below apply to all employees, including senior officers of the Service.

- 5.2 The Service no longer operates a Re-engagement Policy.
- 5.3 Abatement of pension is applied when employees who retire from Service with pension benefits from the Firefighter's Pension Scheme, are successful in attaining another job with the Service through a competitive process. This means that they may not earn more in the new role than in their previous role when pension and salary are combined. This complies with the provisions of the Firefighter's Pension Scheme.
- 5.4 The Service operates a Flexible Retirement Policy for employees in the Local Government Pension Scheme which allows employees to take their pension benefits and be re-employed on reduced hours or at a lower grade without abatement of pension. This complies with the provisions of the Local Government Pension Scheme. There were no flexible retirement arrangements made during 2015-16.
- 5.5 In circumstances in which employees who have taken retirement benefits from the LGPS (either as former NFRS employees or employees of another public sector organisation) apply for a support role with the Nottinghamshire Fire and Rescue Service as part of a competitive selection process and are successful, no abatement of pension is applied.

Section Six - Exit Payments

- 6.1 In the event of redundancy, the Service applies statutory redundancy payments under the provisions of its Redundancy Procedure. This applies to both compulsory and voluntary redundancy situations.
- 6.2 In addition, members who are members, or who are eligible to be members, of the Local Government Pension Scheme may be awarded an additional compensation payment under the provisions of the Discretionary Compensation Payments Scheme. This payment is based upon age and length of service. A Discretionary Compensation Payments Board assesses each application to determine whether there are any exceptional personal circumstances to enhance the compensation element of the award. This applies to both compulsory and voluntary redundancy situations. A cap of 66 weeks pay is applied in normal circumstances. This can be increased to up to 104 weeks in exceptional circumstances.
- 6.3 All recommendations for enhanced payments are subject to agreement by the Human Resources Committee. There were eight such compensation awards agreed as part of redundancy payments in 2015-16.
- 6.4 In exceptional cases, the Chief Fire Officer is authorised to agree a compensation payment as part of a compromise agreement when the employment of an employee is terminated by the Service, or in settlement of a claim. There were two such settlements in 2014-15. Such agreements are subject to confidentiality clauses.

- 6.5 During 2016, new legislation will be apply to all exit payments made by public organisations, including the Fire Service. This will apply a cap of £95k on all exit payments, including pension enhancements.
- 6.6 Additionally, individuals will be required to reimburse of all or part of such exit payments if the individual is re-employed within the public sector within 12 months of leaving the Service and receiving a payment. This will apply to those earning £80k per annum in total remuneration in the year prior to leaving the Service.

Early Payment of Pension Benefits

- 6.7 Under the provisions of the Local Government Pension Scheme, employees aged over 55 who are made redundant or who are retired from Service on the grounds of efficiency are awarded early payment of pension benefits.
- 6.8 In this case, a charge is made against the Fire Authority by the pensions fund, this is referred to as actuarial strain.
- 6.9 In 2015-16 the Service agreed to the early payment of pension in five instances. All cases were linked to redundancy.



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Discretionary Compensation Payments Scheme Policy

Policy No: 1033

Scope:

This policy is mandatory.

Summary:

The purpose of this policy is to set out the position of the Authority in respect of discretionary compensation payments in the event of redundancy, efficiency termination and early retirement for employees who are, or who are eligible to be, members of the Local Government Pension Scheme. It also sets other provisions within the Local Government Pension Scheme (1997, 2008, 2014) for which the Discretionary Compensation Board has delegated powers to exercise its discretion in individual cases.

Version Control:

<i>Person Responsible</i>	<i>Version</i>	<i>Date</i>
HR Manager (corporate)	1.0	Sept 07
Revisions		
Oct 07: Para 2.6 revised following consultation	1.1	Oct 07
Oct 07: Para 3.2 revised following consultation		
Feb 08: Para 3.12 revised to take account of Flexible Retirement Policy	1.2	Feb 2008
July 10: changes arising from the age at which early pension payments will be made under the Local Government Pension Scheme provisions i.e. from 50 to 55. Para 3.7: withdrawal and protection arrangements linked to the 85-year rule	1.3	July 2010
Clarification of procedures relating to the DCPB and decision making process	1.4	Sept 2013
Amendments arising from changes to the LGPS 2014 (removal of pension augmentation and replacement with	1.5	August 2015
Reference to discretions considered by the DPCB under LGPS regulations (1997, 2008, 2014)	1.6	
Para 2.9: Amendment arising from the Public Sector Exit Payments regulations 2016 placing a cap on exit payments. Para 2.10: Amendment arising from the implementation of the Repayment of Public Sector Exit Payments regulations 2015	1.7	July 2016

Review Date:

July 2017

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1.0 Definition

- 1.1 Discretionary compensation payments may be made under the provisions of Regulations 5 and 6 of the Local Government (Early Termination of Employment (Discretionary Compensation) Regulations 2006.
- 1.2 The Policy refers to the power of the Authority to make a discretionary compensation payment (severance payments) to an employee, under Regulation 4, whose employment is terminated:
- By reason of redundancy
 - In the interests of the efficient exercise of the employing authority's functions
 - In the case of joint appointment, because the other holder of the appointment has left it.
- 1.3 Additionally, the Authority may agree to a request for early retirement and payment of benefits before the normal retirement age.
- 1.4 Further discretions which will be considered by the Board include those under the Local Government Pension Scheme Regulations 1997, 2008, 2014 (attached as appendices).

2.0 General Principles

- 2.1 To ensure an unfettered approach, for payment purposes, each case referred to the Compensation Board will be considered on its own merits, taking into account individual circumstances.
- 2.2 In the case of redundancy, normally, "payback" over a 2.5 year period will be the criteria for the determination of any level of enhancement.
- 2.3 Recommendations regarding the level of any discretionary compensation award will be made by the Compensation Board.
- 2.4 Personal circumstances may be taken into consideration for the determination of the level of any enhancement.
- 2.5 Compensation awards will be capped at 66 weeks, unless exceptional circumstances apply. The highest level of compensation awarded will 104 weeks.
- 2.6 In the case of redundancy, statutory redundancy payments will be shown separately to the the compensation payment awarded.
- 2.7 The termination of employment by reason of voluntary redundancy or agreed efficiency termination will be subject to a formal Settlement Agreement agreed by both parties.
- 2.8 Discretions under the Local Government Pension Scheme are those set out within the Local Government Pension Scheme (LGPS) Regulations Policy Statement.
- 2.9 In line with the Public Sector Exit Payment Regulations 2016, any exit payment made by the Authority may not exceed £95k in total. This includes (but is not restricted to) a redundancy payment, compensation payment, actuarial (pension) strain, payments on voluntary exit, severance or ex-gratia payments, payment in lieu of notice,

compensation under the terms of a contract. Specifically, the sum will not include payments made in relation to firefighter fitness provisions; payments relating to incapacity or death as a result of accident, injury or illness; contractual leave not taken; contractual bonuses; court orders.

- 2.10 In line with the Repayment of Exit Payment Regulations 2016, any person who earns in excess of £80k in the 12 months before an exit payment is made will be liable to repay all or some of the exit payment if they are subsequently re-employed in the public sector within 12 months. Further information can be found in the Repayment of Exit Payment Policy.

3.0 Application

Redundancy

- 3.1 In cases of compulsory or voluntary redundancy, the provisions of the Redundancy Policy will apply. The compensation payment will be based upon the statutory formula and will normally be based upon an individual's gross pay.

- 3.2 The following provisions will normally apply in the case of redundancy:

Normally the Authority will award compensatory weeks in excess of the basic redundancy entitlement on a % basis, up to the maximum number of weeks available to the individual under the Compensation Regulations. This will normally be 100% but may be reduced at the discretion of the Compensation Board to take account of individual circumstances;

Any discretionary payments for employees under age 55 and those over age 55 not in a pension scheme may be made up to a maximum of 104 weeks but will normally be capped at 66 weeks.

The provisions of the Public Sector Exit Payment Regulations 2016 and Repayment of Exit Payment Regulations 2016 will apply to such payments.

- 3.3 **For employees over 55 years of age (LGPS members):**

- Employees may opt to convert their discretionary compensation award (excluding statutory redundancy payments) under Regulation 6 into additional membership of the LGPS up to a maximum of ten years. A calculation table is available ([Purchase extra pension in LGPS2014](#))

Efficiency Termination

- 3.4 Whilst there is no statutory definition of **efficiency termination**, the provision may be generally considered in situations where an employee, having given valuable service in the past, is no longer capable of doing so due to reasons which may arise from new or expanding duties being placed upon them or from a decline in the employee's ability to perform the duties of the post due to, for example, domestic circumstances, or health reasons which are not sufficient to justify ill-health retirement.

- 3.5 In these circumstances, if all other measures have been investigated, which may include, but are not limited to, redeployment, application of reasonable adjustments where disability may be a factor, or changes to working arrangements, the employee can be dismissed or can leave by mutual agreement.

- 3.6 In the above circumstance, the Discretionary Payments Compensation Board may award a compensation payment and / or consider enhancing pension benefits by the application of added years. Each case will be considered on its own merits in accordance with the factor score matrix set out in Appendix 1. Consideration will be given to relevant personal circumstances and affordability. In this case the redundancy matrix will not apply, as no redundancy has taken place, although the cap placed upon maximum compensation payment of 66 weeks, and provisions of the Public Sector Exit Payment Regulations and Repayment of Public Sector Exit Payment Regulations 2016 will apply.
- 3.7 All cases of efficiency termination will be considered by the ACFO (Corporate Support) in the first instance and must be approved by the Chief Fire Officer and by the Human Resources Committee.

Early Retirement

- 3.8 In cases of early retirement, initial applications will be considered by the ACFO (Corporate Support). Further details are set out in the Discretionary Compensation Payments Scheme procedure.
- 3.9 Consideration may be given to applications under the 85 year rule where this is applicable. Essentially, under the “85 year rule” employees aged over 60 can retire without the employers consent and without actuarial reduction to their pension OR employees between the ages of 55 and 60 can retire with the employers consent without actuarial reduction in pension, if their age and length of service cumulatively total at least 85 years.
- 3.10 The 85-year rule was withdrawn in April 2008, however protection was applied to members of the pension scheme before 1st April 2006 who attain the age of 60 by 31st March 2020. Information about the protection arrangements should be obtained from the Pensions section as this is a complex area of the scheme.
- 3.11 Early retirement outside of the “85 year rule” will be considered for employees aged between 55 and 60, who do not qualify under the rule, may retire with the employers’ consent with actuarial reduction in pension benefits. Exceptionally the Authority may waive any actuarial reduction to pension benefits on exceptional compassionate grounds.
- 3.12 It should be noted that early retirement on the basis set out in Para’s 3.7 and 3.8 may result in an actuarial strain on the pension scheme which will be charged to the Authority. In this case, the provisions of the Public Sector Exit Payment Regulations and Repayment of Public Sector Exit Payment Regulations 2016 will apply.
- 3.13 Under Regulation 35 of the Local Government Pension Scheme, members who have attained the age of 55 may apply to reduce their working hours and take early payment of pension benefits whilst remaining in employment. Approval of such applications would be at no cost to the Fire Authority and would be subject to evaluation of the benefits to the Service in effecting a reduction in working hours in each individual case.
- 3.14 In circumstances where employees are retired from service with pension enhancements and are subsequently re-employed by the Fire Authority at later date or with another local authority employer, an abatement of pension will be applied such

that the employee may not earn more in their new role, taking into account both salary and pension payments, than the salary earned prior to retirement. However they will retain the lump sum payment payable on retirement.

- 3.15 Different provisions on abatement apply to employees who retire under the Flexible Retirement Policy. Please refer to this policy for further information (intranet>people>HR policies, procedures and guidance>retirement>policies).
- 3.16 In order to give proper consideration to each individual application under this policy, a Compensation Board will be established by the Authority to scrutinise the circumstances of each application and make recommendations to the Fire Authority. The role of the Compensation Board is set out in the procedural guidance notes.
- 3.17 Discretions under the Local Government Pension Scheme which fall within the purview of the DCPB are set out at Appendix 2.

4.0 Roles & Responsibilities

A Head of Service (Area Manager or equivalent) will be responsible for making a business case in support of any proposed redundancies, whether compulsory or voluntary, and will be required to support any applications for consideration of efficiency terminations.

The ACFO (Corporate Support): will determine applications for early retirement and efficiency terminations.

The People and OD Dept will be responsible for providing advice and guidance on the application of the Policy.

The Compensation Board will be responsible for considering (i) applications for compensation under the Policy, (ii) application for early retirement and discretions under the Local Government Pension Scheme and, where appropriate, make recommendations to the Fire Authority.

5.0 Monitoring - Audit & Review

The Head of People and OD will be responsible for monitoring the application of the Policy.

The Head of Finance will be responsible for auditing the financial aspects of the Policy.

The HR Manager (will be responsible for reviewing and updating the Policy in line with changes to statutory regulations or local agreements.

6.0 Related documents

- Local Government Pension Scheme
- The Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006
- Redundancy Policy
- Public Sector Exit Payment Regulations 2016
- Repayment of public sector exit payments regulations 2016

DISCRETIONS UNDER THE LOCAL GOVERNMENT PENSION SCHEME

Local Government Pension Scheme (LGPS) Regulations Policy Statement

Discretions from 01.04.14 in relation to post 31.03.14 active members (excluding councillor members) and post 31.3.14 leavers (excluding councillor members) being discretions under:

- the local Government Pension Scheme Regulations 2013 (prefix R)
- the local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (prefix TP)
- the Local Government Pension Scheme (Administration) Regulations 2008 (prefix A)
- the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) (prefix B)
- the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (prefix T)
- the Local Government Pension Scheme Regulations 1997 (as amended) (prefix L)

<u>Discretion</u>	<u>Regulation</u>	<u>NFRS policy</u>	<u>Explanation / process exercising discretion</u>
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	R30(8)*	Yes (in exceptional circumstances)	It is the general policy of the Authority not to waive the actuarial reduction unless exceptional circumstances apply. The Discretionary Compensation Payments Board will give consideration to such exceptional circumstances. In general, such a waiver would only be enacted where it would be at least cost neutral to the Authority or in the interests of the Authority. Refer flexible retirement policy
Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 pa)	R31*	Yes Case by case basis	Consideration by the Discretionary Compensation Payments Board

* These matters about which the regulations require there must be a written policy

Discretions in relation to scheme members (excluding councillor members) who ceased active membership on or after 1.04.08 and before 1.1.14 being discretions under:

- the Local Government Pension Scheme (Administration) Regulations 2008 (prefix A)
- the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) (prefix B)
- the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (prefix T)
- the Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 (prefix TP)
- the Local Government Pension Scheme Regulations 2013 (prefix R)
- the Local Government Pension Scheme Regulations 1997 (as amended) (prefix L)

<u>Discretion</u>	<u>Regulation</u>	<u>NFRS policy</u>	<u>Explanation / process exercising discretion</u>
Whether, for a member leaving on the grounds of efficiency of redundancy or business efficiency on or before 31 march 2014, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving. Hence this discretion is spent entirely after 30 September 2014.	B12*	Refer NFRS discretionary compensation payments scheme	This allows the Authority to increase pension membership by up to 10 years in special circumstances At discretion of Discretionary Compensation Payments Board
Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60	B30(2)*	Yes Case by case basis	Under the provisions of the Service Discretionary Compensation Payments Scheme Consideration by the Discretionary Compensation payments Board
Whether to waive, on compassionate, grounds the actuarial reduction applied to deferred benefits paid early under B30	B30(5)*	Yes in exceptional circumstances	Each case to be considered by the Discretionary Compensation Payments Board

* These matters about which the regulations require there must be a written policy

Discretions under the Local Government Pension Scheme Regulations 1995 (as amended) in relation to scheme members who ceased active membership before 1.04.98

<u>Discretion</u>	<u>Regulation</u>	<u>NFRS policy</u>	<u>Explanation / process exercising discretion</u>
Grant application from a pre 1.4.98 leaver for early payment of deferred benefits on or after age 50 on compassionate grounds (see NOTE below)	D11(2)(c)	Yes	The Discretionary Compensation Payments Board will consider applications on a case by case basis
Decide, in the absence from a pre1.4.98 leaver of an election from the member	D10	Yes	There are some circumstances under which two types of benefit can be payable form the fund. It is common for

within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership			employers to exercise this discretion but to make clear that it will be made in the interests of the authority and not the employee. They will normally be notified and may appeal. Consideration by the Discretionary Compensation Payments Board.
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NOTE: benefits paid on or after aged 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. Also, any part of the benefits which had accrued after 5 April 2006 would generate a scheme sanction charge.

Discretions under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended)

Under Regulation 7 of the Discretionary Compensation Regulations, each Authority (other than and Admitted Body) is required to formulate and keep under review a policy which applies in respect of exercising their discretion in relation to:

<u>Discretion</u>	<u>Regulation</u>	<u>NFRS policy</u>	<u>Explanation / process exercising discretion</u>
To base redundancy payments on an actual weeks pay where this exceeds the statutory week's pay limit	5	Yes	In line with the provisions of the Service Discretionary Payments Compensation Scheme. Consideration by the Discretionary Compensation Payments Board
To award lump sum compensation of up to 104 week's pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment	6	Yes Case by case basis	In line with the provisions of the Service's compensation payments scheme Consideration by the Discretionary Compensation Payments Board.

Discretions under the Local Government (Early Termination of Employment) (Discretionary Compensation)(England and Wales) Regulations 2000 (as amended)

Under Regulation 26 of the Discretionary Compensation Regulations, each authority (other an Admitted Body) is required to formulate and keep under review a policy which applies in respect of exercising their discretion in relation to:

<u>Discretion</u>	<u>Regulation</u>	<u>NFRS policy</u>	<u>Explanation / process exercising discretion</u>
How to apportion any surviving spouses or civil partners annual compensatory added years payment where the deceased person is survived by more than one spouse or civil partner	21(4)	Yes	Consideration by the Discretionary Compensation Payments Board

How it will decide to whom any children annual compensatory added years payments are to paid where children's pensions are not payable under the LGPS (because the employee had not joined the LGPS) and, in such a case, how the annual added years will be apportioned amongst the eligible children	25(2)	Yes	Consideration by the Discretionary Compensation Payments Board
Whether and to what extent to reduce or suspend the member's annual compensatory added years payment during any period or re-employment in local government	17	Yes	Discretionary Compensation Payments Board will determine whether and to what extent to reduce or suspend annual compensatory added years payments in these circumstances

Discretions under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

Under Regulation 14 of the Injury Allowances Regulations, each LGPS employer (other than an admitted Body) is required to formulate, publish and keep under review the policy that it will apply in the exercise of its discretionary powers to make any award under the Injury Allowances Regulations in respect of leavers, deaths and reductions in pay that occurred post 15 January 2012.

<u>Discretion</u>	<u>Regulation</u>	<u>NFRS policy</u>	<u>Explanation / process exercising discretion</u>
Whether to grant an injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job	3(1)	Yes	Consideration by Discretionary Compensation Payments Board. Annual review by DCPB.
Amount of injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job	3(4) & 8	Yes	Consideration by Discretionary Compensation Payments Board. Amount cannot be more than previous salary.
Whether to grant an injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.	4(1)	Yes Case by case basis	Consideration by Discretionary Compensation Payments Board. Capped at 85% of the amount of the previous salary and allowance.

Amount of the injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.	4(3) and 8	Yes Case by case basis	Consideration by Discretionary Compensation Payments Board
Whether to suspend or discontinue injury allowance awarded under Regulation 4(1) if person secures paid employment for not less than 30 hours per week for a period of not less than 12 months	4(5)	Yes Case by case basis	Consideration by Discretionary Compensation Payments Board
Whether to grant an injury allowance following cessation of employment with entitlement to immediate LGPS pension where a Reg 3 payment was being made at date of cessation of employment but Reg 4 does not apply	6(1)	Yes Case by case basis	Consideration by Discretionary Compensation Payments Board
Determine amount of any injury allowance payable under regulation 6(1)	6(1)	Yes Case by case basis	Consideration by Discretionary Compensation Payments Board
Determine whether and when to cease payment of an injury allowance payable under regulation 6(1)	6(2)	Yes Case by case basis	Consideration by Discretionary Compensation Payments Board
Whether to grant an injury allowance to the spouse, civil partner, nominated co-habiting partner or dependent of an employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.	7(1)	Yes Case by case basis	Consideration by Discretionary Compensation Payments Board
Determine amount of any injury allowance to be paid under regulation 7(1)	7(2) & 8	Yes Case by case basis	Consideration by Discretionary Compensation Payments Board

Determine whether and when to cease payment of an injury allowance payable under regulation 7 (1)	7 (3)	Yes Case by case basis	Consideration by Discretionary Compensation Payments Board
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Discretions under the Local Government (Discretionary Payments) Regulations 1996 (as amended)

The following discretions under the Discretionary Payments Regulations:

- a) which relates to injury allowances, apply only in respect of leavers, deaths and reductions in pay that occurred before 16 January 2012; and
- b) which relate to gratuities, apply only in respect of leavers and deaths that occurred before 16 January 2012

<u>Discretion</u>	<u>Regulation</u>	<u>NFRS policy</u>	<u>Explanation / process exercising discretion</u>
Amount of injury allowance following loss of employment through permanent incapacity after sustaining an injury or contracting a disease as a result of anything required to do in carrying out duties of job	34(2)	Yes	The Discretionary Compensation payments Board
Suspend or discontinue injury allowance if person becomes capable of working again	34(4)	Yes	The Discretionary Compensation Payments Board would takes measures to suspend or discontinue injury allowance in these circumstances
Amount of injury allowance following reduction in pay after sustaining an injury or contracting a disease as result of anything required to do in carrying our duties of job	35(3) & 38	Yes	The Discretionary Compensation Payments Board would determine the level of injury allowance (if any) in these circumstances
Amount and duration of injury allowance following cessation of employment where Reg 35 payment was being made but Reg 34 does not apply	36	Yes	The Discretionary Compensation Payments Board would determine the level of injury allowance (if any) in these circumstances
Amount and duration of dependant's spouse's or civil partner's injury allowance following death of employee after sustaining an injury or contracting a disease as a result of anything required to do in carrying out duties of job	37(3), 37(6) & 38	Yes	The Discretionary Compensation Payments Board would determine the level of injury allowance (if any) in these circumstances

Reinstate spouse's or civil partners injury allowance following earlier cessation due to cohabitation, remarriage or registration of a new civil partnership	37(4)	Yes	The Discretionary Compensation Payments Board would determine the level of injury allowance (if any) in these circumstances
Amount of death in service gratuity payable to surviving dependant, spouse or civil partner	40	Yes	The Discretionary Compensation Payments Board would determine the level of injury allowance (if any) in these circumstances
Amount of retirement gratuity payable	41	Yes	The Discretionary Compensation Payments Board would determine the level of injury allowance (if any) in these circumstances
Amount of gratuity payable to surviving dependant, spouse or civil partner where amount of annuity payments fall short of their capital value at date of award	41(4)	Yes	The Discretionary Compensation Payments Board would determine the level of injury allowance (if any) in these circumstances
Amount if redundancy gratuity payable	42	Yes	The Discretionary Compensation Payments Board would determine the level of injury allowance (if any) in these circumstances
Amount of gratuity payable to surviving dependant, spouse or civil partner where amount of redundancy annuity payments fall short of their capital value at date of award	42(4)	Yes	The discretion would allow a gratuity to be paid where an employee has been in the scheme for at least 5 years or if over 60 for 1 year. This allows the Authority to exercise its discretion properly. Consideration by the Discretionary Compensation Payments Board
Amount of gratuity payable to any other surviving dependant, spouse or civil partner where the amount annuity payments paid under 42(4) fall short of their capital value at date of award	42(7)	Yes	Consideration by Discretionary Compensation Payments Board



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Repayment of Exit Payments Policy

Policy No: POL

Scope:

This policy is mandatory.

Summary:

This policy sets out the Authority’s position on the repayment of exit payments made on the termination of employment in the event that a person who has been dismissed by the Service, and who has received an exit payment in consequence of their dismissal, subsequently returns to the public sector as a salaried employee, enters into a contract for services or becomes the holder of an office which is appointed to by a public sector authority.

Version Control:

<i>Person Responsible</i>	<i>Version</i>	<i>Date</i>
Head of People and OD	0.5	
	1.	

Review Date:

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1.0 Definition

1.1 An “**Exit Payee**” is a person who has received an qualifying exit payment (as defined in Para 1.2); a “**Responsible Authority**” is the authority who makes an exit payment; a “**Hiring Authority**” is the public sector body who will be employing the exit payee within 12 months of a qualifying exit payment being made.

1.2 “The Regulations” refer to the “Repayment of Public Sector Exit Payments Regulations 2016”.

1.3 A qualifying exit payment is defined as a payment made:

- On account of dismissal by reason of redundancy
- As a result of a voluntary exit from employment
- To reduce or eliminate an actuarial reduction to a pension upon early retirement
- To extinguish any liability to pay money under a fixed term contract
- Under a settlement or conciliation agreement
- As a consequence of, in relation to, or conditional upon, loss of employment whether under a contract of employment or otherwise.

1.3 The circumstances under which an exit payment will be subject to repayment are where, within a year of receiving a qualifying exit payment, an individual previously employed by the Authority, and who in the 12 months prior to receiving a qualifying exit payment earned remuneration above £80,000 per annum, returns to a public sector role and either:

Becomes an employee (other than by virtue of a relevant transfer)¹ or enters into a relevant contract for services with a public sector authority ;

Or

Becomes a holder of an office which is appointed by a public sector authority listed in Part 1 or 2 of the Schedule (“The Repayment of Public Sector Exit Payments Regulations 2016)

2 General Principles

2.3 This provision does not replace the existing requirement for employees who, having been given notice of redundancy dismissal, subsequently obtain employment with a public sector employer and commence employment within one month of the redundancy date (and thereby become ineligible to receive a redundancy payment under existing regulations) to notify the Service of their new employment;

2.4 The Service will maintain information relating to exit payments for a period of at least three years to comply with regulations;

2.5 It is the responsibility of the Service (as the “Responsible Authority”) to implement arrangements for the recovery of all or part of a qualifying exit payment and may not refuse, or delay making, relevant repayment arrangements.²

¹ “Relevant transfer” defined as “the meaning as set out in regulation 3 of the Transfer of Undertaking (Protection of Employment) Regulations 2006.

² “Relevant repayment arrangements” defined as “a written agreement between the exit payee and the responsible authority to repay the repayment amount. Relevant arrangements may include an agreement to repay the

- 2.6 It is the responsibility of the exit payee to inform both the hiring authority and the responsible authority (NFRS) as soon as is reasonably practicable, and before returning to the public sector, that (i) there has been a qualifying exit payment and (ii) there may be an obligation to repay some or all of that qualifying exit payment. The exit payee must enter into relevant arrangements to repay the repayment amount within three months of the date of a return to the public sector.
- 2.7 Where the Authority is the “Hiring Authority” it may not permit a return to employment unless the exit payee has repaid the payment amount or the Responsible Authority have made relevant arrangements for the exit payee to repay that amount or if an exit payee does return to the public sector in breach of the regulations, the hiring authority must keep a record of the breach, and its reasons for permitting the exit payee to return to the public sector, in written or electronic form, which must be capable of being retrieved by the hiring authority upon request for three years.
- 2.8 If an exit payee refuses to enter into a relevant repayment arrangement, or breaches the terms of the relevant repayment arrangement and does not enter into a new relevant repayment arrangement to repay within three months of that breach then the Hiring Authority may:
- Where the exit payee is an employee, dismiss the exit payee;
 - Where the exit payee has entered into a relevant contract for services³, terminate the relevant contract for services, or
 - Where the exit payee has been appointed to an office, removing the exit payee from that office;
 - Decide to do none of the above, in which case the hiring authority must keep a record of any consideration it made in not applying any of the above sanctions, including the reason why it did not take any action, in written or electronic form, which must be capable of being retrieved by the hiring authority on request for three years.

3 Application

- 3.1 On payment of a qualifying exit payment, the Service will advise the employee in writing of the requirement to inform NFRS of any subsequent employment within the public sector and of the requirement to repay all or some of the exit payment.
- 3.2 The payment to be recovered shall not include:
- A payment made in respect of incapacity or death as a result of accident, injury or illness;
 - A payment made in respect of leave due under a contract of employment but not taken;
 - A payment made in lieu of notice due under a contract of employment;
 - A bonus payment otherwise determined to be due under a contract of employment;

repayment amount (i) by lump sum, (ii) by instalment, or (iii) by any other method the responsible authority considers to be reasonable.”

³ “Contract for Services” defined as “a contract for services under which an exit payee provides services to a hiring authority (i) as an employee of another person; or (ii) as a self-employed person, and the time spent providing the service to the hiring authority accounts form more than 50% of the exit payee’s employment or self-employment.

- A payment made in compliance with an order of any court or tribunal; and
- A payment made to an exit payee who, in the period of 12 months prior to the end of the exit payee's employment or before the exit payee ceased to hold office, earned remuneration of under £80,000⁴

3.3 The repayment amount will be calculated as follows:

$$A - B - \frac{(C \times D)}{365}$$

Where:

A is the amount of the qualifying exit payment;

B is the amount of tax and employee national insurance contributions paid in respect of the qualifying exit payment;

C is net final pay;⁵

D is the number of days between the exit payee leaving the employment and ceasing to hold the office in respect of which the qualifying exit payment was made and the exit payee's return to the public sector;

(ii) Where the standard weekly⁶ hours the exit payee will work for the hiring authority is less than the standard weekly hours worked for the responsible authority, the repayment amount is reduced by multiplying the amount by $\frac{E}{F}$ where:

F

E is the standard weekly hours the exit payee will work for the hiring authority;

F is the standard weekly hours the exit payee worked for the responsible authority.

(iii) where the difference between the amount of the qualifying exit payment and the repayment amount is less than the minimum amount, the repayment amount is to be reduced so that the difference between the amount of the qualifying exit payment and the repayment amount is equal to the minimum amount.⁷ Where the amount calculated under this regulation is equal to or less than zero, the repayments is equal to zero.

⁴ "Remuneration" is defined as any salary, wages or fee for services

⁵ "Net final pay" is defined as "the remuneration received by the exit payee from the responsible authority in the period of 12 months prior to receiving the qualifying exit payment less any tax or employee national insurance contributions paid on that remuneration, or where the exit payee was in employment or office for less than 12 months, the amount calculated under (iv) above

⁶ "Standard weekly hours" is defined as " the number of hours the exit payee is required to work under a contract of employment, or the terms of the exit payee's appointment to an office, in a week in which the exit payee has not absences from work and does not work any overtime or, where the number of such hours varies, the mean number of hours that are required to be worked in a week, calculated over a four week period

⁷ "Minimum amount" defined as " the amount the exit payee was entitled to receive under Part XI of the Employment Rights Act 1996 (a) calculated in accordance with section 162 of the Act; or where the exit payee was not entitled to receive a payment under part XI of that Act by virtue of Chapter 1 of Part XIII of that Act, the amount that the exit payee would have received had the exit payee been so entitled.

(iv) where the exit payee was in employment or office for less than 12 months, the amount will be calculated according the following formula :

$$G - H \times \frac{365}{I}$$

Where:

G is the total remuneration received by the exit payee from the responsible authority;

H is the total tax and employee national insurance contribution paid on the total remuneration received by the exit payee from the responsible authority

I is the number of days the exit payee was in employment or office.

- 3.4 In the event that the Service is the Responsible Authority, the Service must as soon as is reasonably practicable inform the Hiring Authority (i) that relevant repayment arrangements have been made, or (ii) that relevant arrangements have been breached by the exit payee, or (iii) that new or further relevant arrangements have been made. It must also provide such information, on request, that the hiring authority may reasonably require to fulfil its duties under the Regulations.

Special Circumstances

- 3.5 Should the Responsible Authority cease to exist in circumstances where The Regulations are applicable, they shall still apply, and the Hiring Authority will undertake responsibility as though they were the responsible authority (with the exception of Regulation 9)⁸ and must pay any amount recovered under The Regulations into the Consolidated Fund.
- 3.6 The Small Business, Employment and Enterprise Act 2015 permits an exercise of power under section 157(1) to waive the whole or part of the requirement to repay an exit payment. The power to waive may only be agreed by (i) a Minister of the Crown or (ii) a local authority (or fire authority) in relation to payments made by that local authority (or fire authority) and exercised in line with any written directions issued by the Treasury on how that power is to be exercised. In this event, records must be kept in written or electronic form, which must be capable of being retrieved on request for three years. Additionally, the responsible authority must publish a list at the start of each financial year in which the power under section 157(1) of the SBEE is exercised, or in the responsible authority's annual accounts for each such year (this should not include any personal data relating to the exit payee where to do so would breach its obligations under the Data Protection Act 1998).

4 Role & Responsibilities

The Head of People and OD will be responsible for implementing the policy and meeting statutory requirements.

The HR Manager will be responsible for ensuring that employees and exit payees are aware of their obligation to provide information under the Regulations.

The Head of Finance will make arrangements for the repayment of exit payments.

⁸ Regulation 9 refers to the requirement to provide information to the Responsible Authority

5 Monitoring - Audit & Review

The Head of People and OD will be responsible for monitoring the application of the policy, and for reviewing it in line with changes to regulation or local agreements.

6 Related Documents.

The Repayment of Public Sector Exit Payments Regulations 2016

The Discretionary Compensation Payments Scheme Policy

Redundancy procedure

Recruitment and selection policy

Statement of Pay Policy



Discretionary Compensation for Redundancy Pay – Responses May 2016

An authority in the region would like to know if other authorities apply the discretion to enhance redundancy pay and, if so, how.

Responses are set out below. In summary, most authorities calculate redundancy on actual pay and a multiplier to the statutory formula is frequently used, although some respondents don't enhance the calculation beyond basing the payment on actual pay.

Responses
We do not enhance the redundancy payments except at the moment to pay the employees actual salary in the calculation.
We don't give any enhancements apart from paying the statutory number of weeks at actual pay.
Our redundancy package is 4 weeks salary for each year of service
The Council enhances the statutory redundancy pay scheme in two respects: The Council bases redundancy pay on an employee's actual contractual gross weekly pay, rather than cap this at the maximum statutory limit for a week's pay, as set by the Secretary of State; and The Council multiplies the statutory scale (number of weeks pay for every year of service) by a factor of 1.5.
We use a multiplier of X1.5 using the actual weekly pay.
We only use the statutory calculation and apply the cap.
Our authority has exercised the available discretion to apply a multiplier of 1.65 on the statutory redundancy formula based on age and local government service, capped at 30 years reckonable service. It is based on actual pay.
We use the statutory calculation for number of weeks but pay at actual week's pay.
We currently use a multiplier of 1.5 on the number of statutory weeks' entitlement.
We use actual pay rather than the statutory weekly. No other enhancements.
We based the amount on an actual week's pay and don't enhance the payment further.
The statutory redundancy payment will be enhanced to a maximum of 66 weeks and a week's pay will be based on actual pay not the statutory amounts. Payments will be made with reference to the table as detailed in Appendix 1 and embrace any redundancy payment made under the provisions of the Employment Rights Act 1996. Payments will relate to the number of years of service up to a maximum of 20 years working backwards from the date of redundancy.
We pay an actual week's pay for the statutory entitlement of redundancy pay.
The redundancy calculation that we apply is not enhanced except to base it on actual week's pay or the statutory capped figure whichever is the higher.
We apply a multiplier of x 2 on the redundancy calculation based on a weeks' pay.
We don't enhance our package other than by not applying the salary cap
We apply x2 multiplier and base on an actual weeks salary without the statutory weekly cap.
Our policy is to use actual pay to calculate redundancy. The total number of redundancy weeks paid will be determined by the entitlement as set out in the Statutory Redundancy

Responses

Payments Scheme multiplied by a factor of 1.5.

We apply the statutory calculation but use an actual week's pay (ie we don't apply the statutory maximum week's pay cap).

We enhance the payments and have a multiplier of 2.66.

Our policy provides a 1.3 multiplier applied on statutory table – using actual pay

We don't apply a multiplier to the statutory table – using actual pay

Our local policy allows for the payment of an additional discretionary redundancy allowance up to the equivalent of the statutory figure

This is what our current policy says – enhanced payments are at the Chief Executives discretion it isn't something that we have utilised since we brought in this policy but the option is there.

1 REDUNDANCY PAYMENT

Continuous Service Requirement

A redundancy payment will be subject to the employee having completed two years' continuous service by the date on which employment ends. This includes continuous service with other local authorities and bodies included in the Redundancy Payments Modification Order.

Calculation of Statutory Redundancy Payment

The basic statutory entitlement for eligible employees is one week's pay (capped at the statutory maximum) for every full year's service, up to a maximum of 20 years. The council may enhance the statutory entitlement at its discretion as follows:

Age Payment – including statutory entitlement

21 and under 1 week's payment for each completed year of service below the age of 21

22 - 40 2 weeks' payment for each completed year of service between the ages of 22 -40

41 and above 3 weeks' payment for each completed year of service at age 41 or above

If employment is terminated on grounds of efficiency of the service, the Council may use its discretion to provide lump sum compensation up to 104 weeks' pay, or augment pension membership up to 62/3 years; or the shortfall between current membership and that which would have been reached at age 65 (whichever is the shorter). Each case would be considered taking into account individual circumstances and the following factors would be relevant:

- Outstanding contribution to the Council, as defined by the Chief Executive at his or her discretion
- Likelihood of difficulties the employee faces in gaining further employment, either due to skills and/or employment options in the area
- Immediate caring responsibility for others, which is current or imminent and cannot easily be achieved if the employee remains in employment despite flexible working provisions.

Provisions relating to Calculation of Redundancy Payment, LGPS Members and Termination on Grounds of Efficiency are subject to affordability, in that the costs can be either contained within existing budgets or recovered within a specified timescale – normally three years. In recognition that it is not always possible to contain such costs within individual budgets, the affordability and payback can also be considered against any specific allocation or reserve designated to fund restructuring proposals.