

18TH APRIL 2023

KEY DECISION: YES

UPDATES TO PAY AND REWARD POLICY

SUMMARY AND RECOMMENDATIONS:

Further to report Cabinet Report CEX2202 the Council's Pay and Reward Policy has been reviewed to help address recruitment and retention issues currently being experienced across a range of service areas.

Recommendations:

That Cabinet approve the amendments to the Pay and Reward Policy as set out in this report

1. INTRODUCTION

- 1.1. The Pay and Reward Policy was published in 2009 and updated in 2011 and in 2021. In November, Cabinet considered a report from the Chief Executive as Head of Paid Service which dealt with a range of employee matters and identified that it was increasingly difficult for the Council to fill a number of roles across the organisation. In other areas, experienced employees were being approached by recruitment organisations to move to similar roles in other local authorities who were offering higher levels of pay and other recruitment incentives.
- 1.2. Cabinet were advised that the Chief Executive had asked for a review of the Council's Pay and reward Policy to see if there were any changes that could be made to help address the recruitment and retention issues currently being experienced.
- 1.3. The Pay and Reward Policy has now been updated to include a revised approach to the award of market supplements and the introduction of a 'Golden Hello' process as measures to assist with the recruitment and retention of key roles.
- 1.4. The opportunity has also been taken to update the Policy throughout to reflect current legislation and ways of working.

2. BACKGROUND

- 2.1. Rushmoor Borough Council adopted the National Employers pay scales, known as the Green Book and the Local Government Job Evaluation (JE) Scheme in 1998. As result a grading structure was implemented which included all roles. The Green Book contains 49 spinal column points and the council's local scheme has extended this to 59 spinal column points. Over time, pay scales have been introduced for Service Managers and all senior employees. Staff are also eligible to receive increments on an annual basis until they reach the top of the grade.
- 2.2. However, since the adoption of the JE Scheme many roles across the Council have changed due to the evolving nature of the workplace, new technologies and the council's priorities around economic growth and regeneration in the borough.
- 2.3. This in turn has led to the requirement to recruit skills and professionals that are also in demand in the private sector, such as, regeneration, construction, project management, legal services, cyber security, digital and software development. Whilst the Council offers a range of benefits different to the public sector and shouldn't necessarily seek to be comparable on pay the Council is finding it increasingly difficult to compete with other local authorities who are also increasingly seeking these professional skills.
- 2.4. The current shortage of people with these skills in the UK further compounds the recruitment challenges. Some Council employees have been headhunted directly from other local authorities and others have started moving to the private sector. This again is reflective of the shortage of skilled professionals in both sectors. A benchmarking exercise has been conducted looking at comparative roles. This exercise has also demonstrated that Rushmoor's pay for these roles is in many cases lower when compared to that offered by other local authorities as well as the private sector.
- 2.5. In the longer term the current JE Scheme will need to be reviewed or replaced as it is no longer fit for purpose for a number of roles and professions. However, this is a significant and time-consuming project to undertake. In the meantime, it is considered that some immediate action needs to be taken to support recruitment and retention and stabilise areas of the organisation to ensure the Council can continue to deliver on its priorities and key services.

2 MARKET SUPPLEMENTS

- 2.1 For many years the Council has operated a market supplement scheme where managers can request, after certain criteria is exhausted, that a market supplement (up to £3,000 per annum) is paid when they are unable to recruit to a hard to fill role. Whist this has been helpful it does not assist

with the recruitment and retention of scarce professional skills where pay differential can be substantially above £3000.

- 2.2 To address the pay disparity and improve the ability to hire these skills, it is proposed to increase flexibility around the level of the market supplement allowance that can be awarded and where appropriate that this also to be awarded as a retention allowance for similar roles. Until a JE Scheme review can be undertaken and to avoid causing authority wide pay differences leading to inequality, awarding a market premium for hard to recruit and retain roles is considered the best option and will increase the chance of the Council being able to recruit and importantly retain employees in hard to fill roles, particularly Legal, IT and across the regeneration and property services.
- 2.3 It is proposed to change the process for the award of market supplements to enable senior managers to set out reasoning and evidence that supports a level of market supplements. No upper limit has been set within the policy to allow for flexibility with the expectation is that there would need to be a clear justification and evidence for the amount of supplement proposed, this risks of being unable to recruit and options for the supplement to be funded. The policy also allows for a market supplement to be paid to existing employees in similar roles (effectively as a retention supplement) to ensure equality where skills and levels of experience are similar.
- 2.4 The proposed process can be found at section 5.3 in the Pay and Reward Policy at Appendix A.

3. GOLDEN HELLO

- 3.1 In some situations it may be more appropriate to award a one off lump sum payment known as a Golden Hello to an employee on their appointment with the Council.
- 3.2 The application of a Golden Hello would be more normally used for a hard to recruit to lower graded role where the recruitment market data demonstrates this to be the case.
- 3.3 A condition of the payment is that the employee would be required to remain employed by the Council for a period of 2 years. If they leave during this time they will be required to repay either all or a proportion of the amount.
- 3.4 The process and procedure for the request and approval of a Golden Hello will be similar to the process for awarding a market supplement. The detail is also set out in section 5.3 of the policy at Appendix A.

4. IMPLICATIONS

Risks

- 4.1. The purpose of the changes in this report are to reduce the risk of the Council not being able to deliver its services and priority projects as a result of being unable to recruit appropriately experienced and skilled employees.

Legal Implications

- 4.2. It is important that the council has up to date and relevant policies to reduce the risk of legal challenge around employment matters. There are no direct legal implications as a result of this report.

Financial and Resource Implications

- 4.3. Whilst the increased payments for the market supplement and the introduction of a Golden Hello payment will impact the pay bill this could be offset by the reduction of the use of consultants in some areas as a result of these payments. The proposed approval process requires identification of how any approved salary enhancement will be funded

Equalities Impact Implications

- 4.4. There are no equalities impact implications directly associated with this report. The requirement for fairness and equal pay has been taken in to account.

5. CONCLUSIONS

- 5.1. The proposals in this report will assist in the recruitment and retention of employees is difficult to fill roles that are required in order to deliver services priority projects in line with the Council plan.

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APPENDICES

Appendix A: Pay and Reward Policy

Pay and Reward Policy

Revised version 24 March 2023

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1. Introduction

Rushmoor Borough Council believes that the interests of employees and the Council are best served by the formulation and implementation of clear and consistent employment policies and procedures. This policy sets out the Council's position on pay and reward, pay rates and the review mechanisms. It also takes into consideration all legal requirements.

1.1 Approach to pay and reward

Any pay and reward system must ensure equality for all employees. The Council's pay and reward systems are based on the following core principles:

- Fairness
- Affordability
- Consistency
- Flexibility
- The payment of market rates and maintenance of its position in the market
- To encourage and reward achievement

As part of the NJC the Council is covered by the National Agreement on Pay and Conditions of Service (the Green Book). The Green Book sets out a local government pay spine comprising 49 spinal column points (SCP). The Council's local scheme has extended the range to 59 spinal column points based on similar principles and also introduced ranges for Service Managers and above.

The Council has taken advantage of the flexibility allowed within the Green Book to determine elements of pay locally as appropriate. These elements of locally agreed pay are detailed in this document which will be updated when necessary.

The Council will also use published benchmarking data from South-East Employers together with comparators in both the public and private sectors where applicable.

1.2 Scope of the policy

This pay and reward policy covers the principles applicable to the grading structure, basic pay and other additional elements of pay; it also includes a mechanism for keeping the policy and its implementation under review.

2. Equal Pay

2.1 The Equality Act 2010

The Equality Act 2010 provides for equality both in pay and terms and conditions of employment for equal work, the comparisons being between workers of different sexes. Although a man can make a claim for equal pay, generally unequal pay affects women. The Act does not allow comparisons to be made between workers of the same sex.

For the purposes of this policy and in line with relevant legislation, pay is defined by Article 141 of the Treaty of Rome as:

“The ordinary basic or minimum wage or salary and any other consideration, whether in cash or kind, which the worker receives directly or indirectly, in respect of his (or her) employment from his (or her) employer”

Pay, therefore, includes allowances, pensions, discretionary bonuses, annual leave and sick pay and any non-financial benefits such as training.

The following terms are contained in Equal Pay legislation:

- ‘Like work’ is defined as work which is the same or broadly similar
- ‘Work rated as equivalent’ is defined as work which has achieved the same or a similar number of points under a job evaluation scheme
- ‘Work of equal value’ is defined as work which is of broadly equal value when compared under headings such as effort, skill and decisions

The law requires the Council to ensure that equal pay is given to employees carrying out like work or work seen as equivalent or work of equal value. The Council recognises that to achieve equitable pay, it must operate a pay framework that is transparent and makes decisions on objective criteria.

The Council has a responsibility to operate within the law and to allocate resources to ensure it is able to do so. The Chief Executive as Head of Paid Service has a statutory duty in staffing matters and is responsible for ensuring that employees are treated equitably. The Cabinet is responsible for ensuring the success of this Policy. All Managers have the responsibility to ensure that salaries are consistent with this Policy.

2.2 Gender Pay Gap

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, requires employers with 250 or more employees to publish statutory gender pay gap calculations annually. This includes the following:

- Gender pay gap (mean and median values)
- Gender bonus gap (mean and median values)
- Proportion of men and women receiving bonuses
- Proportion of men and women in each quartile of the organisation’s pay structure

The Council is required to publish this data on its website and the governments dedication page for Gender Pay Gap reporting - [Search and compare gender pay gap data - GOV.UK - GOV.UK \(gender-pay-gap.service.gov.uk\)](#) The report must be published by the end of March of each year.

3. Grading structure

3.1 Framework

The Council's grading structure is based on the NJC terms and conditions using the national spinal column points with the addition of a number of SCPs at the top of the scale. The Council implemented single status and the Local Government Job Evaluation Scheme in 1998. This job evaluation scheme is used to provide a consistent framework for determining the grading of jobs throughout the organisation, below Service Manager. The application of this scheme ensures the principles of equal pay for work of equal value.

The structure comprises 7 grades. There are separate grades for Service Manager, Corporate Manager, Heads of Service/Executive Heads/Executive Directors/ Chief Executive.

Service Managers report to a Head of Service/Executive Head/Executive Director with a broad area of activity and leadership responsibility for a large team.

Corporate Managers report to an Executive Head/Executive Director and act as the corporate lead for a professional activity, with impact across the organisation. The roles provide strategic advice to the Head of Paid Service.

3.2 Starting Salaries

The normal starting salary for new employees will be at the entry point for the grade. However, in some circumstances employees may start at a higher point.

3.3 Process for Job Evaluation

The Council has adopted the Local Government Single Status Job Evaluation scheme to ensure that all jobs within the Council are evaluated in a fair and systematic way, using a consistent approach. The scheme applies to all posts below Service Manager. This ensures that posts are fairly graded and rewarded based upon the content, complexity and nature of the job. Please see the Job Evaluation Policy for guidance on the procedures to be followed when a role is to be evaluated under the Job Evaluation scheme.

3.4 Career grades

In some instances, the ability to carry out the full potential of a post is beyond the scope of one grade. Rushmoor has a system of career grades, particularly for those who are undergoing training to achieve a recognised qualification over a number of years. Entry as a trainee will be at the bottom of the grade and advancement will be dependent upon successful attainment of all stages of the qualification, capability to undertake the growth in responsibilities pre-determined for each grade level and an actual increase in the level of responsibilities commensurate with the grade.

4. Salary Progression

4.1 Cost of living awards

The National Joint Council negotiate terms and conditions for local authorities as well as the annual cost of living awards. As part of the NJC, the Council implements the terms and conditions agreed.

4.2 Awarding increments

Employees will be eligible to receive increments on an annual basis until they reach the top of the grade. Where an employee's performance falls below the required standards, managers have the discretion to withhold the next incremental pay increase, or to postpone it until the employee's performance reaches the required level. Increments are automatically paid to eligible employees in April so the manager will need to contact the People Team no later than 31st March to arrange for the increment to be withheld.

Employees whose employment starts or whose successful application for a job re-evaluation is received after 1st October in any year will not be entitled to receive an increment the following April.

4.3 Awarding of more than one increment

Managers are able to recommend that employees receive more than one increment (in that year only) where employees have consistently delivered exceptional performance. Approval for the additional increment will be needed by the relevant Head of Service/Executive Head/Executive Director. Additional increments can be awarded only up to the top of each grade.

5. Additional elements of Pay

5.1 Framework

It is recognised that, in addition to the basic pay contained in the grading structure, there are elements of pay resulting from:

- Requirements of the job
 - These are pay elements driven by the operational requirements of specific jobs. Examples may include standby/callout payments
- External pressures on recruitment and retention
 - These are market driven pressures which affect specific jobs from time to time. Examples may include market supplements, golden hellos.
- Recognition reward payments
 - These relate to the undertaking of roles and responsibilities outside of and above the scope of the current job description to an exceptional degree. This does not include, for example participating in corporate project teams, as this is a normal developmental activity. Examples may include performance awards and acting up allowances.

Where contained in the Green Book, payment will be made in accordance with its terms.

5.2 Requirements of the job

a) Overtime rates

Overtime for employees on Grades 5, 6 and 7 may be paid where their chief officer agrees that the payment should be made and that this payment has been budgeted for.

Overtime is payable to employees if:

- It is for time worked outside the flexible working hours scheme and ‘cover time’ on any day, and
- They have worked more than 37 hours for the week in question and
- They have a positive flex credit

As an alternative, an inclusive rate of pay to recognise these requirements may be negotiated locally in accordance with the arrangements for modifying those provisions.

- **Additional hours**

Employees who are required to work additional hours beyond their working week are entitled to receive enhancements on the following basis:

Monday to Saturday	Time and a half
Sundays and public and extra statutory bank holidays	Double Time (min 2 hours)

(Part time employees are entitled to these enhancements only at times and in circumstances in which full time employees in the establishment would qualify. Otherwise, a full working week for full time employees shall be worked by a part time employee before these enhancements apply).

- **Saturday and Sunday working**

Employees who are required to work on Saturday and/or Sunday as part of their normal working week are entitled to an enhancement.

Saturday	Time and a half
Sunday	Time and a half (basic pay above point 11)
Sunday	Double time (basic pay at or below point 11)

- **Night work**

Employees who work at night as part of their normal working week are entitled to receive an enhancement of time and one third for all hours worked between 8pm and 6 am.

- **Public and statutory holidays**

Employees required to work on a public or extra statutory holiday, in addition to the normal rate of pay for that day, be paid at plain rate for all hours worked within their normal working hours for that day. In addition, at a later date, time off with pay shall be allowed as follows:

Time worked less than half the normal working hours on that day	Half Day
Time worked more than half the normal working hours for that day	Full Day

For employees above Grade 4 there is discretion to pay the allowances set out above or to apply an inclusive rate of pay to take all the features of the job into account. For planned additional hours an additional payment may be made.

Inclusive rates of pay to compensate employees for working shifts have been negotiated and paid to all individuals in these roles. These include civil enforcement officers and any other roles which require a rolling shift pattern. Further details on these arrangements are detailed in individual contracts.

b) Standby and on call payments

Payments are made to employees who are engaged to be available for work outside of office hours. Rotas for availability are agreed locally within departments. Standby and on call payments will be reviewed annually in line with the nationally agreed pay settlement.

c) Evening Meeting Allowance

Employees attending evening council meetings are able to claim an allowance for attending these meetings (or have the option of compensatory time off in lieu with their line manager's agreement.)

The payment will be made for any constituted meetings, seminars etc which involve councillors and where it is deemed necessary for employees to attend and where attendance is required after 6.30pm.

The payment for employees attending evening meetings is currently £32 per meeting.

d) Grade allowances

Employees on Grades 6 and above are eligible to receive a Grade Allowance, in addition to basic pay.

Grade 6	£200 per month
Grade 7 and Service Manager/Corporate Manager	£250 per month
Heads of Service	£300 per month
Executive Heads, Executive Directors and Chief Executive	£350 per month

The allowance is paid monthly through salary and is subject to tax and national insurance. For part time employees, the subsidy will be pro rata to the number of contracted hours. The allowance is pensionable. The allowance remains static and does not increase each year.

Employees in receipt of a Grade Allowance are not eligible for a Car User allowance or any form of car user lump sum payment. Where employees are required to use a car for business, this must be properly insured for that purpose. The current rate of mileage payable is 21p per mile and is reviewed annually. Employees who undertake business mileage in excess of 2500 miles per annum will receive payment for mileage in accordance with HMRC rates.

e) Essential User classification

As part of the NJC agreement, car allowances and mileage rates are negotiated on an annual basis and these apply to staff below Grade 6.

The Green Book classifies the criteria for classifying posts as being essential for the purposes of car use is those “whose duties are such that it is essential for them to have a motor car at their disposal whenever required”.

We have established a points classification system to establish which employees are essential users and therefore entitled to the allowance. To be entitled to the essential user allowance employees must have 5+ points.

Choose one from each of the three criteria

Criterion 1 – frequency of use	Points
Irregular/occasional weekday use	1
Regular use averaging between 1 – 3 days each weekday	2
Regular use averaging between 4 – 5 days each weekday	3
Criterion 2 – Average mileage per annum	
Annual mileage 500+ but less than 1,000	1
Annual mileage 1,000+ but less than 1,500	2
Annual mileage 1,500+ but less than 2,500	3
Annual mileage 2,500+	4
Criterion 3 – Unsocial duties	
Out of hours working/attendance required occasionally (average once a month or less)	1
Out of hours working/attendance required regularly/frequently (averaging more than once a month)	4
Regular commitment outside of normal hours/on call duties	4

5.3 External pressures on recruitment and retention

The Council recognises that it can be challenging to attract and recruit new employees as well as retaining employees for crucial or hard to recruit and retain roles. In the first instance managers, working with the People Team, should consider the following to promote the attraction and retention of staff:

- Trainee schemes, apprenticeships, work placements, university graduates.
- Succession planning.
- Flexible working schemes such as part-time working, job-sharing, working compressed hours or annualised hours, term time working; hybrid working wherever possible.
- Learning and development programmes available.

a) Market Supplements

It is recognised that, in addition to the basic pay contained in the grading structure, there may be the requirement for additional elements of pay resulting from external pressures on recruitment and retention at that time. In certain circumstances it may be appropriate to pay an additional supplement to certain roles, with clear supporting evidence, where the recruitment market and internal staff retention shows this to be required.

Principles

- a) The need for a supplement must be demonstrable at the time the supplement is introduced. For example, evidence of the inability to recruit at the evaluated grade salary range (where a revaluation does not change the grade), national or local salary market data showing higher salaries for the same role, evidence of the same role and the level at a higher salary in another local authority or where it is difficult to back fill key skills and experience.
- b) The supplement will be reviewed every three years to ensure that payment continues to be justified. The evaluation and regrading of a post entitled to a supplement will be reviewed to establish whether the market supplement continues or ceases.
- c) The supplement is not subject to annual cost of living increases.
- d) The supplement can be paid to existing employees where a role is agreed by the Executive Leadership Team (ELT) to be a similar role (effectively as a retention supplement) and where existing employees have the equivalent skills and experience to a new recruit to ensure equality.
- e) Where the need for a supplement ceases after a review, a payment withdrawal schedule will be implemented (see below) and new recruits or transfers to the post will not receive the supplement.
- f) The supplement payments are made at the absolute discretion of the Council and may be withdrawn at any time by the Council in line with this policy.

Process and procedure

A report must be presented by the relevant Executive Head or Executive Director to ELT for consideration. This report should include the following:

- Reason and evidence for the market supplement for either recruitment or retention including relevant benchmarking data
- Potential impact on roles in own service area, including financial impact
- Market supplement amount requested with clear reasons
- Options for funding, including total financial impact
- Operational or project delivery risks of not awarding the market supplement

ELT will consider each market supplement request at the earliest opportunity on its own merits together with the possible impact on other roles and any potential risks across the Council before a decision is made. It will be important for ELT to consider the budgetary impact of the whole policy across the Council prior to any award being approved.

Payments

The supplement to be paid will be paid in monthly instalments and the cost will be met from the employing service's budget where possible, the overall budget of the Council or a supplementary estimate will be sought.

The payments will be pensionable and subject to tax and NI in the normal way via PAYE.

Withdrawal of Payments

Where it is felt the recruitment/retention situation is such as to no longer justify the payment, notice will be given of the intention to withdraw the payment. The payment will be withdrawn on the following basis over twelve months.

0 – 3 months (notice of change)	4 – 6 months	7 – 9 months	10 – 12 months	After 12 months
100% paid	75% paid	50% paid	25% paid	0% paid

A payment will be withdrawn immediately without notice, at the discretion of the relevant Head of Service/Executive Head/Executive Director, if:

- a) The recipient is subject to suspension or formal disciplinary action (i.e., a written warning) under the Council's disciplinary procedure or
- b) The recipient resigns their employment with the council or
- c) The recipient is absent from work without authority.

b) Golden Hello

Where there are challenges of recruiting to some roles at the Council it may be appropriate to pay a golden hello which is a one-off lump sum payment to an employee on their appointment with the Council. This payment will be subject to tax, national insurance and pension deductions. The cost will be met from the employing service's budget where possible, the overall budget of the Council or a supplementary estimate will be sought. A condition of the payment is that the employee will be required to remain employed by the Council for a period of 2 years. If they leave during this time, they will be required to repay either all or a proportion of the amount.

The repayment plan is as follows:

0 – 12 months	12-24 months	After 24 months
100% paid	50% paid	0% paid

To enable the payment of a Golden Hello a report must be presented by the relevant Executive Head or Executive Director to ELT for consideration. This report should include the following:

- Reason and evidence for the Golden Hello for either recruitment or retention including relevant benchmarking data
- Potential impact on roles in own service area, including financial impact
- Options for funding, including total financial impact
- Operational or project delivery risks of not awarding the market supplement

ELT will consider each Golden Hello request at the earliest opportunity on its own merits together with the possible impact on other roles and any potential risks across the Council before a decision is made. It will be important for ELT to consider the budgetary impact of the whole policy across the Council prior to any award being approved.

5.4 Acting-up or additional duties payments

When an individual temporarily covers the work and duties of a more senior colleague or another colleague, it may be appropriate to award a payment as described below to recognise their additional contribution and workload.

The payment will be for an agreed period of time, and the individual must be covering the work for **more than 4 weeks**.

In order to ensure consistency, any payments made under this policy will require authorisation as follows:

Time period covered	Authorisation by
4 weeks – 3 months	Head of Service/Executive Head
3 – 6 months	Head of Service/Executive Head and Executive Director
6+ months	Head of Service/Executive Head/Executive Director and Chief Executive

The cost of any such additional payments must be met from the service's budget.

a) Acting-up allowance

To qualify for an acting-up payment, the employee must be of a lower grade than the job they are covering. Where the duties are split across a number of individuals, the payment may be shared to reflect the amount and level of work taken on.

Pay: An acting up allowance will usually be paid up to the mid-point of the grade of the role being covered, dependent on the post-holders' existing incremental point.

b) Additional duties

Individuals are expected to be flexible in their approach to work and to cover the duties of others from time to time in order to deliver services and meet the needs of customers. This will not normally qualify for additional payments.

However, in exceptional circumstances and where employees cover the work of a colleague on the same grade for more than 4 weeks in addition to their normal duties, they may be awarded an additional duties payment.

Pay: The payment will be based on the percentage of additional workload and responsibilities taken on, and the individual's normal role and capacity. It should not exceed the amount that would be paid under an Acting-Up Allowance.

5.5 Other

a) Payments for Community Events

The Council supports a number of community events which take place outside normal working hours. Employees attending represent the Council at these events and staff working any community event will be considered as one of the following:

Key Staff - these are skilled staff that are key event organisers, or staff that are required to be at the event as part of their normal job role.

Key staff will normally be required to take time off in lieu (TOIL) for additional work outside normal hours as they should be able to plan their workload throughout the year. However, in exceptional circumstances agreed with the relevant Head of Service the option for additional payment in line with the Council's usual arrangements can be considered provided budget is available.

Stewards and volunteers - staff that volunteer for a community event who are not key event organisers or required to attend as part of their role will be paid a flat rate applicable to the role.

b) First Aid Allowance

An annual allowance is paid to the Council's First Aiders. This will be reviewed periodically by the HR/OD service.

c) Private Medical insurance

Employees on Grade 5 and above were entitled to free private medical insurance until December 2011. When this entitlement ceased those in the scheme at the time were given the option to either remain in a scheme by paying 50% of the contribution with the council paying the other 50% or leave the scheme. For those remaining in the scheme the 50% contribution made by the council is taxable through salary. Employees remaining in the scheme could choose to cover their spouses and their families and payment for this is deducted from their salaries. The scheme is not open for any new employees or those who left the scheme.

d) Pension

Any new employee will automatically be placed in the local government pension scheme (Defined Benefit) – employees will then be given the option to opt out of the scheme. The contributions made by employees will vary depending on their salary and further details can be found on the People Portal.

e) Employee 'thank you'

Heads of Service/Executive Head/Executive Director have discretion to award employees one-off non-cash rewards **to the maximum value of £50** as recognition for exceptional work or where they have consistently 'gone the extra mile' for residents or customers and consistently model *Rushmoor Values and Behaviours*. The cost of an employee 'thank you' must be met from service budgets.

6. Protection of pay and terms and conditions

Protection of pay can apply when changes occur due to:

- Downgrading of posts following job evaluation
- Implementation of a new grading structure
- Those being faced with redundancy opting to take a role at a lower grade
- New management structures being implemented which result in downgrading of a post
- New working arrangements being introduced which result in downgrading.

This agreement relates to the protection of basic pay. Where the downgrading of a post occurs, basic pay will be protected for a fixed period of 12 months. Basic pay protection means that the individual remains on their existing salary grade point and no further increments or cost of living increases may be awarded. After the protection period, the individual's salary will reduce to the maximum of the grade and cost of living increases will then be reinstated.

These arrangements do not apply to any individual post holder who is downgraded as a result of personal performance issues or to voluntary or medical transfers to posts on lower grade.

If the employee is in the private medical insurance scheme and providing they chose to remain in the scheme, they will be entitled to retain the 50% contribution made by the Council.

7. Pay in Lieu of Notice

Once either the Council or the employee has given notice to end their employment, the Council may in its sole and absolute discretion terminate the individual's employment with immediate effect by making a payment in lieu of the notice period that they would have otherwise worked. The employee will be compensated for their basic salary and all contractual benefits that they would have received had they worked during their notice period, subject to tax and national insurance deductions. Employees that have been dismissed on the grounds of gross misconduct will not be entitled to notice or pay in lieu of notice.

8. Review

This policy, in line with all other employment policies will be subject to review every two years.

A review of the additional elements of pay and their application will be undertaken every year. Allowances paid under this policy will also be reviewed annually.

9. Equality Impact Assessment

An Equality Impact Assessment has been completed for this policy.