

AGENDA ITEM 6

POLICY, FINANCE AND ADMINISTRATION COMMITTEE

28TH SEPTEMBER 2016

REPORT OF HEAD OF COMMUNICATIONS

LONG SERVICE AWARD

1.0 PURPOSE OF REPORT

- 1.1 To seek approval for the revised Long Service Award Scheme for Melton Borough Council employees

2.0 RECOMMENDATIONS

- 2.1 **The revised scheme (Appendix A) is approved and implemented with effect from 1 January 2017.**
- 2.2 **That long service entitlement outlined in the revised policy are backdated and vouchers issued to employees in January from existing service salary budgets.**

3.0 KEY ISSUES

- 3.1 The current Long Service Award Scheme acknowledges the long service of staff who retire with 15 years or more service by the presentation of an award. The award can be in the form of a gift or cash (which will be taxable), that will be chosen by the employee within specified values.
- 3.2 There are no procedures in place to recognise long service of current employees. Long Service is not being rewarded while employees are still in service – payments are only made when an employee retires or is made redundant. As a result the Long Service Scheme is seen as a “Golden Handshake” and not being used as a staff incentive, morale booster or part of the employee reward package.
- 3.3 Following initial consideration and discussion by both Joint Staff Working Group (JSWG) and Management Team, staff were surveyed and asked how they would like long service to be recognised and rewarded. The proposed scheme has been developed as a result of the feedback from the survey and views of Management Team and JSWG. JSWG in August 2016 recommended adoption of the proposed scheme (Appendix A).
- 3.4 A review of the other authorities in the district indicated that vouchers or money to the value of £250 for 25 years was the most popular reward. One authority offers £200 at 20 years
- 3.5 The current scheme is quite generous to long serving employees at the time that they leave the service of MBC. The proposed scheme recommends a lower monetary value for the number of years however this takes into account that more staff would be eligible for rewards under the scheme while they were still in employment.

4.0 POLICY AND CORPORATE IMPLICATIONS

- 4.1 The moral and motivation of employees is key to ensuring the Council is able to deliver on its corporate priorities. The feedback from the staff survey indicated that the recognition of long service is highly valued by employees as a form of appreciation for on-going commitment and loyalty.
- 4.2 The revised scheme would replace the current practice of providing a 'Golden Handshake' to employees at the point of retirement or redundancy which will no longer be available to departing employees.
- 4.3 As well as financial reward the proposed scheme provides guidance for Managers on communicating and recognising long service to ensure that all staff are afforded the same recognition.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 Costs have been calculated for the one off payments required to reward all employees who currently meet the criteria in terms of number of years' service. This has been estimated to be £7,250
- 5.2 On-going costs of implementing the scheme have been predicated for the next four years based on the current work force. Turnover of staff is expected during this period so the actual costs are expected to be lower than predicated.

	2016/17		2017/18		2018/19		2019/20	
Scheme	No. Employees	Cost	No. Employees	Cost	No. Employees	Cost	No. Employees	Cost
10 years @£50 =	3	£150	12	£600	9	£450	13	£650
20 years @£100=	0	-	7	£700	8	£800	2	£200
30 years @£200=	0	-	3	£600	2	£400	1	£200
40 years @£300=	0	-	0	-	1	£300	0	-
Total		£150		£1,900		£1,950		£1,050

- 5.3 It is anticipated that the cost of implementing this scheme will be met from the services existing budgets for employee related costs.

6.0 LEGAL IMPLICATIONS/POWERS

- 6.1 Length of service may include employment by a former employer under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246). Further, where an employee terminates his or her employment, but is then subsequently re-employed by the same employer, length of service for the purpose of the Employment Rights Act 1996 will be preserved if the period between the old employment terminating and the new employment commencing is less than one week. This has been taken into consideration in the wording of the new scheme.

7.0 **COMMUNITY SAFETY**

7.1 This report has no impact on Community Safety

8.0 **EQUALITIES**

8.1 Pay and benefits linked to service indirectly discriminate because of age, as younger employees are likely to have fewer years' service than older employees. However, para.10 of sch.9 to the Equality Act 2010 contains a specific exception to allow employers to use length of service as a criterion for the provision of a benefit, facility or service. Under the Act, a service criterion of five years or less is lawful without the employer having to provide justification.

9.0 **RISKS**

9.1

L I K E L I H O O D	A	Very High				
	B	High				
	C	Significant				
	D	Low				
	E	Very Low		1		
	F	Almost Impossible				
			Negligible 1	Marginal 2	Critical 3	Catastrophic 4
			IMPACT			

Risk No	Risk Description
1	Productivity is affected by low morale and motivation through lack of recognition

10.0 **CLIMATE CHANGE**

10.1 There are no climate change implications as a result of the proposed new scheme

11.0 **CONSULTATION**

11.1 Consultation has taken place with Joint Staff working Group which includes Unison and GMB representation. Management Team have been consulted on as part of the development of the scheme.

11.2 All staff were surveyed to collect their views on the Long Service Award and the revised scheme has been developed as based on the feedback received from the survey.

12.0 **WARDS AFFECTED**

12.1 No wards are affected by this scheme

Contact Officer Sarah Jane O'Connor/ Angela Roberts

Date: 7 Sept 16

Appendices : Appendix A – Proposed Long Service Awards Scheme

Background Papers:

Reference : X : Committees\PFA