

AGENDA



CABINET

MONDAY, 13 JANUARY 2014

11.00 AM

**COUNCIL CHAMBER - COUNCIL OFFICES, ST. PETER'S HILL,
GRANTHAM. NG31 6PZ**

Beverly Agass, Chief Executive

MEMBERS: Councillor Mrs. Linda Neal (Leader/Portfolio: Policy, Strategy and Strategic Partnerships), Councillor Paul Carpenter (Deputy Leader & Portfolio: Governance & Communication), Councillor Mrs Frances Cartwright (Portfolio: Grow the Economy and Economic Development), Councillor John Smith (Portfolio: Healthy Environment), Councillor Mike Taylor (Portfolio: Strategic Resources - Well Run Council), Councillor Terl Bryant (Portfolio: Good Housing) and Councillor Bob Adams (Portfolio: Arts and Leisure)

Committee Support Officer: Lucy Bonshor Tel: 01476 40 61 20
E-mail: l.bonshor@southkesteven.gov.uk

Members of the public are entitled to attend the meeting of the Cabinet at which key decisions will be taken on the issues listed on the following pages. Key decisions are marked *.

1. APOLOGIES

Your council working for you

2. **MINUTES**

(Enclosure)
3. **DISCLOSURE OF INTERESTS (IF ANY)**
4. ***BUDGET REQUIREMENTS 2014/15**
Report HOF262 by the Head of Finance.

(Enclosure)
5. ***GROUND MAINTENANCE FRAMEWORK - CONTRACT AWARD**
Report PD012 by the Property Development Manager.

(Enclosure)
6. ***PENSIONS POLICY 2014**
Report HR& OD119 by the Service Manager Human Resources &
Organisational Development

(Enclosure)
7. ***CUSTOMER ACCESS STRATEGY**
Report PPP01 by the Head of People, Projects and Performance.

(Enclosure)
8. **MATTERS REFERRED TO CABINET BY THE COUNCIL, SCRUTINY
COMMITTEE OR THE POLICY DEVELOPMENT GROUPS**
9. **ITEMS RAISED BY CABINET MEMBERS INCLUDING REPORTS ON KEY
AND NON KEY DECISIONS TAKEN UNDER DELEGATED POWERS.**
10. **REPRESENTATIONS RECEIVED FROM NON CABINET MEMBERS**
11. **ANY OTHER BUSINESS WHICH THE CHAIRMAN, BY REASON OF
SPECIAL CIRCUMSTANCES, DECIDES IS URGENT**



MEETING OF THE CABINET
2 DECEMBER 2013 - 11.00 AM – 11.35 AM

PRESENT:

Councillor Paul Carpenter
Councillor Mrs Frances Cartwright
Councillor John Smith
Councillor Mike Taylor
Councillor Teri Bryant
Councillor Bob Adams

Councillor Mrs. Linda Neal - Chairman

Chief Executive (Beverly Agass)
Strategic Director – Corporate Focus/Section 151 Officer
(Daren Turner)
Head of Finance (Richard Wyles)
Property Development Manager (Neil Cucksey)
Head of Legal and Democratic Services/Monitoring Officer
(Lucy Youles)
Cabinet Support Officer (Lucy Bonshor)

MEETING ADJOURNMENT

The meeting was adjourned between 11.00am and 11.06am.

CO26. MINUTES

The decisions from the meeting held on 13th November were agreed as a correct record.

CO27. DISCLOSURE OF INTERESTS (IF ANY)

None disclosed.

CO28. *APPROVAL OF COUNCIL TAX BASE 2014/15

Decision:

Cabinet approves the following:

- 1. That the adjusted Council Tax Base for 2014/15 is set at 43,522.4 Band D equivalent properties.**
- 2. That the adjusted Council Tax Base for each parish is as set out in Appendix A to report HOF261.**
- 3. That the distribution of the Local Council Tax Support grant for 2014/15 is established to ensure no parish or town council is better or worse off than the Council Tax Base position as set out in Appendix A to report HOF261.**

Considerations/reasons for decision:

- 1) Report HOF261 from the Head of Finance.
- 2) The requirements of the Local Government Finance Act 1992 amended by s84 of the local Government Act 2003 allow each local authority to make its own arrangements for adopting the Council Tax base. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 provides amended statutory guidance to incorporate changes as a result of the introduction of the Local Council Tax Support Scheme.
- 3) The setting of a realistic and prudent collection rate for Council Tax is an essential component of the overall budget strategy.
- 4) The calculation of the tax base for parish purposes is based on the number of properties at 10th September 2013 and the discounts applicable on 1st October 2013 as prescribed by legislation.
- 5) Adjustments for assumed reductions in the tax base as a result of the move to the Local Council Tax Support Scheme.
- 6) Comments made by Members about the level of government support.
- 7) Comments made by Members about the need for communications with Parishes to be very clear about understanding how reductions in government grant will impact Parishes in the future.
- 8) Comments made thanking the Finance Team for their hard work.

CO29. *FEES AND CHARGES PROPOSALS 2014/15

Decision:

Cabinet approves the following fees and charges for their inclusion into the budget framework proposals for 2014/15:

- **Car Parking – maintain current parking tariffs**
- **Bus stations – inflationary increase only**
- **Grantham cycle centre – inflationary increase only**
- **Building Control – increase in hourly to achieve service breakeven**
- **Markets – inflationary increase to Stamford and Bourne market charges**

- **Arts centres – inflationary increase only**
- **Corn Exchange – maintain current charges**
- **Green waste collection – maintain current charges**
- **Bulky waste collection – increase by £1 for first item collected**
- **Licensing – increase in line with achieving service breakeven**
- **Outdoor recreation – inflationary increase only**
- **Grantham cemetery – inflationary increase only**
- **Land Charges – inflationary increase**
- **Pre-planning advice – inflationary increase but maintain current charge for householder advice**

All to be effective from 1st April 2014.

Considerations/reasons for decision:

- 1) Report HOF258 from the Head of Finance.
- 2) The work undertaken by the Resources PDG on fees and charges proposals for 2014/15 utilising the fees and charges benchmarking report compiled by Deloitte.
- 3) The corporate fees and charges framework which was approved by Cabinet in October 2012.
- 4) The use of the benchmarking toolkit by Service Managers who undertook a fundamental review of the current published fees.
- 5) The Council has the power to charge for the delivery of discretionary services in accordance with s.93 of the Local Government Act 2003.
- 6) Comments made by the Head of Finance on reasons why some fees had remained at the same level.
- 7) Comments made by Members about Grantham market, the Corn Exchange and tennis hard courts.

CO30. *RESIDENTS PARKING SCHEME

This item was withdrawn from the agenda due to the need to better understand as a whole the inter relationships between on street and off street parking in light of comments made recently by the MP for Grantham and Stamford.

DATE DECISIONS EFFECTIVE:

Decisions CO28 and CO29 as made on 2nd December 2013 can be implemented on Wednesday 11th December 2013, unless subject to call-in by the Scrutiny Committee Chairman or any five members of the Council from any political group.

South Kesteven District Council, Council Offices, St. Peter's Hill, Grantham, Lincolnshire NG31 6PZ

**Contact: Cabinet Support Officer - Lucy Bonshor Tel: 01476 40 61 20
e-mail: l.bonshor@southkesteven.gov.uk**

REPORT TO CABINET

REPORT OF: HEAD OF FINANCE

REPORT NO: HOF262

DATE: 13 January 2014

| | | |
|---|---|---------------------------------------|
| TITLE: | BUDGET REQUIREMENT 2014/15 | |
| KEY DECISION OR POLICY FRAMEWORK PROPOSAL: | KEY DECISION | |
| PORTFOLIO HOLDER: NAME AND DESIGNATION: | Cllr Mike Taylor Well Run Council Portfolio Holder | |
| CONTACT OFFICER: | Daren Turner – Strategic Director Corporate Focus 01476 406301 d.turner@southkesteven.gov.uk Richard Wyles – Head of Finance Tel: 01476 406210 Email: r.wyles@southkesteven.gov.uk | |
| INITIAL IMPACT ASSESSMENT: | Carried out and Referred to in paragraph (7) below: N/A | Full impact assessment Required: None |
| Equality and Diversity | | |
| FREEDOM OF INFORMATION ACT: | This report is publicly available via the Your Council and Democracy link on the Council’s website: www.southkesteven.gov.uk | |
| BACKGROUND PAPERS | | |

1. RECOMMENDATIONS

It is recommended the Cabinet:

General Fund

- 1.1 Notes the provisional settlement for 2014/15.
- 1.2 Agrees a provisional target General Fund Budget Requirement of £13.152m for 2014/15 (inclusive of Special Expenses).

- 1.3 Considers the feedback of the consultation with respect to Council Tax in order to recommend a Council tax level at its February 2014 meeting.

Housing Revenue Account

- 1.4 Approves, in line with current policy of achieving rent convergence, an indicative rent increase for consultation purposes with the Tenant consultation forums. This is an average increase for SKDC tenants of 5.13%.
- 1.5 Agrees to review the proposed rent increase at recommendation 1.4 above, at the February Cabinet Meeting, in light of consultation, and other related information.

2. PURPOSE OF THE REPORT

- 2.1 The purpose of this report is to comment upon:
 - a. The updated Local Government Finance Settlement for 2014/15 and indicative proposals for future years.
 - b. The current consultation with respect to Council Tax level for 2014/15
 - c. Housing rent proposals 2014/15
 - d. Levels of reserves.
 - e. The proposed capital programmes for the General Fund and Housing Investment Programme (HIP)

This report sets out the settlement details and provides details for Cabinet to consider when considering the budget requirement including the current consultation on the Council Tax level for 2014/15. Further work is ongoing to provide the detailed budget information which will be submitted to Cabinet in February and Council in March 2014.

3. DETAILS OF THE REPORT

3.1 Provisional Local Government Finance Settlement 2014/15

Confirmation of the provisional settlement for 2014/15 was issued by CLG on the 18th December 2013 and has been confirmed as £6.956m. This award now includes all elements of grant including Council Tax Freeze grant (agreed in 2011/12 for 4 years), homelessness grant and Council Support grant. It is no longer possible to identify the allocation of Council Tax support grant as it has been incorporated into the overall grant.

- 3.2 Cabinet will be aware that 2013/14 is the first year of the significant shift in how local government is financed following the introduction of the business rate retention scheme. The new funding allocation is a split between locally raised business rates which are retained and revenue support grant.

3.3 Table 1 below details the new funding split and compares this to what the Council received in 2012/13 and 2013/14.

Table 1.

| | Formula Grant Funding 2012/13 | Formula Grant Funding 2013/14 | Provisional settlement for 2014/15 | Indicative settlement 2015/16* |
|---------------------------------------|-------------------------------|-------------------------------|------------------------------------|--------------------------------|
| Revenue Support Grant | £143K | £4.206M | £3.492M | £2.319M |
| Redistributed business rates | £7.226M | £2.798M | £3.161M | £3.248M |
| Total Formula Grant | £7.369M | £7.004M | £6.653M | £5.567M |
| Specific grants: | | | | |
| • Council Tax | £316K (2yrs) | £157K | £157K | £157K |
| • Homelessness | £106K | £106K | £104K | £104K |
| • C Tax support | n/a | £757K | n/a | n/a |
| • Efficiency support for sparse areas | n/a | n/a | £0.043K | 0.034K |
| Total (inc. grants) | £7.791M | £8.024M | £6.957M | £5.862M |

3.4 For the period 2010/11 to 2015/16 the grant has been reduced by £4.285M or 43% in cash terms. It can be seen that between 2013/14 and 2015/16 £2.1M has been removed from the Revenue Support Grant which reflects the reduced spending totals for the Department of Communities and Local Government. The reductions had been anticipated and are in line with the Medium Term Financial Strategy which identifies a budget gap emerging in 2015/16.

4. General Fund Budget Requirement, Council Tax and Reserves

4.1 Draft Budget Requirement

The proposed draft budget requirement for 2014/15 is £13.152m which comprises of the following:

Table 2

| | |
|--|---------|
| Formula Grant | £6.957M |
| Council Tax £142.06 x 43,522.4 (inc SEA) | £6.183m |
| Collection Fund surplus | £0.012K |

| | |
|----------------------|----------|
| SKDC Total (inc SEA) | £13.152m |
|----------------------|----------|

4.1.1 Council Tax Proposals

The Secretary of State has announced that for those Authorities who increase their relevant basic amount of council tax in 2014/15 by more than the referendum limit will be required to ask their electorate whether they approve or veto the increase in a binding referendum. However the referendum limit will not be announced until January although the figure has previously been set at 2%.

The Government has announced that a further council tax freeze grant in 2014/15 equivalent to a 1% increase is available. For South Kesteven this equates to a one-off grant of £63k. As part of the Autumn Statement it has also been confirmed that funding for council tax freezes will become part of local authority's baseline funding after the next spending review. Concerns about an impending "cliff edge" to the funding incentive should be reassured by a promise from the Chancellor to extend the funding into "future years".

Consultation is currently underway in order to seek resident views on a 1.75% increase (£2.23 per annum or 4p per week) for 2014/15 in the context of continuing to provide quality services and delivering the Council's priorities over the medium period. Although it is not a statutory requirement to consult with our residents (only businesses), the Cabinet is keen to hear the views of the community when considering the spending plans for the year ahead. The consultation is being undertaken using the Council's citizens panel (which is a representative sample of the district) and an on-line survey. The summary of the feedback will be compiled and presented to Cabinet at their February meeting.

4.2 General Fund Reserves and Balances

When considering the Budget requirement, the Cabinet must also have regard to the level of balances held and the purpose for which they are held. The general fund revenue balances, as at 31st March 2013 were £9.419m and a working balance of £2.370m. These are supplemented by additional earmarked reserves. The level of the working balance provides adequate cover for any unanticipated expenditure or loss of income that may occur over the course of the financial year.

In preparation for the challenges the Council will face in the medium term and to ensure sufficient resources are available to fund the delivery of the priorities, a review the specific reserves has been undertaken. Full details will be presented to Cabinet in February as part of the budget framework proposals.

5. Housing Revenue Account - Rent Setting for 2014/15

5.1.2 The main element of policy relating to the HRA for 2014/15 is the setting of rents. The Council's current policy is to keep in line with the Government's guidance on rent restructuring.

Existing policy is to meet rent convergence (the process whereby the rental levels are in line with similar properties in the social sector). The formula used is applying RPI inflation at the previous September (3.2%), plus 0.5% "real growth" + £2 per dwelling. The number of properties expected to reach rent convergence by 2015/16 is approximately 5400 with the remainder of the stock reaching convergence by the following year. For those properties that will have reached rent convergence by 2015/16, Government then expects local authorities to increase rents by no more than CPI (at September of the previous year) + 1 percentage point in any year.

The actual rent is calculated on a property by property basis using these parameters. For 2014/15 this has produced an average increase for SKDC tenants of 5.13%. At the level of individual dwellings, the percentage increase will depend upon each property's proximity to its target, with increases varying between 4.13% and 5.57%. In cash terms, the average rent will be £78.13 with a minimum of £52.24 and a maximum of £112.77. Garage rents and service charges are increased in line with September RPI figure.

5.1.3 HRA Reserves and Balances

The HRA has a number of specific reserves to assist in the delivery of the HRA Strategy and are used to fund both revenue and capital expenditure. In addition the HRA has a specific working balance which provides financial support to the HRA should any significant unforeseen costs arise during the financial year. The Major Repairs Reserve is the primary source of funding for the HRA capital programme and is proposed to be utilised to fund the investment in the housing stock over the next 5 years. Two new reserves have been created during the year to meet specific requirements namely the loan repayment reserve and the HRA improvement reserve.

6. Capital Programme – 2014/15 to 2018/19

6.1 General Fund Capital programme – Forecast Outturn

The General fund programme provides a forecast outturn of £3.681M. The programme has been developed over a five year period which supports the delivery of treasury management activities specifically long term investment decisions. The proposed programme over the five year period is in excess of £19m and the financing of the programme will be a combination of reserve contributions, direct revenue financing and utilisation of specific grants.

6.2 Housing investment programme (HIP) – Forecast Outturn

The HIP programme provides a forecast outturn of £6.144M. The proposed 5 year programme continues to be developed in respect of delivering and maintaining the decent homes standard. There continues to be significant investment in the Council's housing stock which has been profiled over the 30 year business plan. Funding the HIP programme will be met from the major repairs allowance and contributions from revenue.

6.3 Programme 2014/15 to 2018/19

The Programme continues to be developed in accordance with the Council's priorities, the Asset Management Plan and other strategies including ICT and fleet management. The programme comprises of both General Fund and HRA. The capital programme for the HRA has been compiled using the data from the stock condition survey which has been analysed and profiled over the 30 year business plan.

6.3.1 General Fund Programme

The main emphasis of the General Fund capital programme is the continuation of the delivery of major capital projects that support the priority themes specifically that are well advanced under the corporate priority of 'grow the economy'.

6.3.2 Housing Investment Programme (HIP)

The investment in the Council's housing stock over the period of the capital programme has been formulated utilising the detailed stock condition survey that has been undertaken. The spending profile reflects the desire to achieve and maintain 'decent homes standard' over the period of the capital programme.

6.4 **Proposed method of financing the Capital Programme**

6.4.1 The Capital Programme also identifies the proposed method of financing the Capital Programme which will be reviewed when preparing the Statement of Accounts for each financial year to enable the most effective form of financing to be adopted by the Council.

6.4.2 In respect of the capital programme the summary financing statement has been prepared for the General Fund and the Housing Revenue Account. In respect of the General Fund it is proposed to utilise the capital receipts reserve, grant funding and the remaining element of the specific capital reserve together with a revenue contribution of £500K in each of the financial years. There is no immediate borrowing requirement within the timescale of the capital programme. As part of the implementation of the Asset Management Plan a thorough review of the Council asset portfolio is being undertaken, this will identify potential future disposal receipts which will be

utilised to fund future capital programmes. Indicative figures have been built in for modelling purposes.

- 6.4.3 In respect of the HRA capital programme the financing of the programme will be met from the Major Repairs Reserve (MRR). This is due to amount being made available from the componentisation of the depreciation which is calculated at £5.735M per annum. As this amount exceeds the current capital programme the MRR is projected to increase over the period of the capital programme. However this position will change should the capital programme exceed the allocated depreciation over the period of the programme.

7. OTHER OPTIONS CONSIDERED

There are no alternative options necessary in respect of this report.

8. RESOURCE IMPLICATIONS

This report details the budget requirement for 2014/15.

9. RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

N/a

10. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

N/a

11. CRIME AND DISORDER IMPLICATIONS

N/a

12. COMMENTS OF FINANCIAL SERVICES

These comments are included in the report.

13. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

The recommendations relate to proposals for the budget which forms part of the budgetary and policy framework. Members must consult with residents on the proposals contained within this report as required in accordance with statutory regulation and constitutional requirements.

14. APPENDIX: None

REPORT TO CABINET

REPORT OF: Property Development Manager

REPORT NO: PD012

DATE: 13 January 2014

| | | |
|---|---|---|
| TITLE: | Grounds Maintenance framework, contract award. | |
| KEY DECISION OR POLICY FRAMEWORK PROPOSAL: | Key Decision | |
| PORTFOLIO HOLDER: NAME AND DESIGNATION: | Cllr Bob Adams Portfolio: Arts and Leisure Cllr John Smith Portfolio: Healthy Environment | |
| CONTACT OFFICER: | Neil Cucksey Property Development Manager n.cucksey@southkesteven.gov.uk 01476 40 62 24 | |
| INITIAL IMPACT ANALYSIS: Equality and Diversity | Carried out and Referred to in paragraph (7) below | Full impact assessment Required: Evaluation of all companies submitting a valid tender was carried out and included an assessment of their policy on Equality and Diversity. No issues were highlighted in terms of the potential award of the framework contract. |
| FREEDOM OF INFORMATION ACT: | This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk The appendix to this report is exempt from publication in accordance with paragraph 3 of schedule 12A of the Local Government Act 1972(as amended) because it relates to the business affairs of the Council and the public interest in maintaining the exemption outweighs the public interest in disclosing the interest | |
| BACKGROUND PAPERS | None | |

1. RECOMMENDATIONS

That Cabinet confirm the award of the new framework contract to Glendale Grounds Management Limited (Glendale) for a four year period with an option to extend for a further two year period for the provision of grounds maintenance within the district of South Kesteven and delegate the signing of the contract documentation to the Strategic Director - Corporate Focus.

2. PURPOSE OF THE REPORT

To set out the process followed in tendering the ground maintenance contract and report on the evaluation of the submitted bids in order to inform the recommendation.

3. DETAILS OF REPORT

On 29 July 2013 Procurement Lincolnshire sent out an "Invitation to Tender for a Pan Lincolnshire Grounds Maintenance Service Framework Agreement" under OJEU Contract Notice Reference Number 2013/S 148-257705.

At the close of the tender period on 23 September 2013 three service providers submitted a tender for SKDC's Lot 4.

The weighting was based on 70% price, 30% quality.

Following the evaluation stage Glendale was the only compliant bid for SKDC's Lot, however they provided the most competitive price and their overall score was the highest.

3.1 Tender Evaluation and Financial Appraisal

The tender evaluation and financial appraisal contains commercially sensitive information which is set out in the exempt Appendix to this report.

From the overall evaluation of quality and price through the formal tender evaluation conducted by Procurement Lincolnshire and on the basis of the further clarification work carried out to assess the bid of Glendale against the incumbent provider, (to give an indication of indicative future budget position). The recommendation is to award the framework for SKDC's Lot 4 to Glendale on the basis that they provided the most competitive bid. The incumbent service provider did not submit a tender and have indicated their intention to exit the current contract on 28 February 2014.

The standstill period for the award of the framework ended at midnight on Friday 29th November 2013. No challenges were received from the unsuccessful companies.

3.2 Framework contract period

Lot 4 of the Framework Agreement will be for a four year period with an option to extend up to 24 months.

3.3 Financial Check, credit scores

Lincolnshire County Council completed checks on the trading accounts of all companies submitting a tender for the Lots. No companies failed the checks although there was some slightly old information on two companies.

No issues were identified with Glendale's credit score or financial position.

3.4 Health and Safety

All companies submitting a tender have been evaluated on their health and Safety record by North Kesteven District Council. No issues were identified on Glendale.

Glendale bases its practices on the company's Health & Safety management system, which is CHAS accredited and adheres to all current HSE legislation.

3.5 References

References on Glendale have been obtained from Birmingham City Council, Nuneaton and Bedworth Borough Council and London Borough of Lewisham.

Generally no significant issues were raised in the responses to the questions posed. The respondents scores were a mixture of 3's (Satisfactory) and 4's (Good).

3.6 Background

To expand on the information received from Glendale through their method statements and information provided as part of their presentation, below is an overview of what their bid contained.

Glendale is a specialist green service provider and has been delivering tailored diverse green solutions to public and private clients for over 25 years, it has the backing of its Parent Company Parkwood Holdings Plc. Additionally Glendale has a significant number of long term contracts ensuring it has a forward order book in the region of £500m.

3.7 Glendale method statement links to SKDC Priority outcomes and projects

Agile working - Creating a flexible organisation

Glendale proposes to use its cloud-based work programming software "Glendale Live" as a means of programming and monitoring works on the framework. Glendale Live has been developed by their in-house IT department which enables them to fine-tune the programme to meet the exact needs of clients. During the mobilisation stage of the contract Glendale will work closely with stakeholders to ensure that the reporting and interface of "Glendale Live" exactly meets the requirements and expectations of the Council and any relevant stakeholders.

Glendale Live fulfils multiple roles within the operation of Glendale contracts, these include work programming, monitoring, reporting and providing up to date information on service completion for Glendale Local, their dedicated external-facing website for individual contracts.

This will enable our ground maintenance coordinators to gain access to live information in the field or from other locations where they can access the internet.

3.8 People Strategy

Glendale works in partnership with leading colleges across the UK, including Myerscough, Morton Morrell, Hadlow, Capel Manor and Pershore College to deliver comprehensive apprenticeship training to employees. Currently Glendale has about 35 apprentices nationwide. Apprentices are able to study, at the establishments detailed above, and study a wide variety of subjects.

Glendale apprentices study NVQ Levels 1, 2 and 3 and each apprentice is assigned a training co-ordinator throughout the 3 year course. The training encompasses a combination of on-site and classroom-based training. Glendale also takes on pre-apprentices (school leavers) to provide them with an insight into the sector for a year where they have mentors to guide them. If they want and are able to do so they are enrolled onto the apprenticeship scheme at the end of the year.

Glendale has also identified an opportunity to potentially put in place a pre-apprentice scheme in the contract if viable, this scheme which has been used on other contracts aims to encourage 16 – 18 years into the industry, this scheme, as well as encouraging younger people into the industry is also helpful in tackling levels of young people classed as Not in Education, Employment or Training (NEET).

A firm commitment for apprentice and pre-apprentice placements for this contract has yet to be agreed in detail. One Apprentice placement has been proposed for SKDC's contract.

School Work Placements

Each year Glendale will offer two work placements to pupils at schools where Glendale carry out Grounds Maintenance services. This offering will also involve contributing to lessons in school around the science behind grounds maintenance activities. Each work placement will give pupils an insight into a potential career in the grounds maintenance industry.

3.9 Community Engagement

Glendale participate in local resident, tenant and user groups prior to contract commencement to outline the service provision the community can expect and instil confidence and enthusiasm in local people regarding the level of work to be undertaken.



Community involvement is an essential aspect to Glendale's service provision. An example of this includes working with local people and 'buddy groups' on clean-up days, and landscape improvement schemes.

Clean Green and Healthy.

3.10 Green Flag Awards

Glendale's contracts have about 50 Green Flag awards for 2013/14 ranging from grounds maintenance Manchester, Torbay, North Devon, Birmingham, Lewisham and Liverpool to Arboriculture Contracts in Solihull and Cemeteries in Newcastle-under-Lyme..

Glendale will assist South Kesteven DC in increasing the number of Green Flag Parks from one (Wyndham Park) year on year and other areas gaining Green Flag accreditations by completing applications and ensuring the quality of the parks is to a Green Flag Standard.

Glendale has numerous staff throughout the Country who are Green Flag judges and will be available to provide advice to increase the number of Green Flags if this in an outcome we wish to pursue.

3.11 Emergency Planning

Glendale provides emergency call-out services to the majority of its clients, and will provide South Kesteven DC with an emergency arboriculture team providing 24 hours per day, 365 days per year service. A dedicated call-out number is provided to Officers, and a contingency of staff will be available out of office hours. The nominated person to contact in the event of an emergency will have sufficient authority to raise the required staff on standby to deal with the emergency.

4. OTHER OPTIONS CONSIDERED

Extend existing contract.

The current contract has the option to extend the contract period by up to 3 years by mutual agreement of the terms. The contract was extended by one year by mutual agreement with the terms unaltered until 28 February 2014. This was to align contract end dates with other district councils tendering this area of work to allow Procurement Lincolnshire to assemble suitable Lots for the tender process.

The incumbent Grounds Maintenance service contractor informed us on 4 September 2013 that they would not be submitting a tender for the Lincolnshire Grounds Maintenance framework. We do not therefore have an option of a further extension to the existing contract.

5. RESOURCE IMPLICATIONS

There are no direct staff resource implications arising from the recommendation. TUPE will apply to some of the incumbent contractor's staff and details of those staff coming under the TUPE regulations were supplied to all companies submitting a tender.

Glendale has advised in their method statement that "where TUPE applies each transferee would have immediate access to a human resources advisor who will be able to assist them with any difficulties to which the transfer gives rise. "All employees will be treated entirely fairly during the transfer and certainly no differently than other employees who may have been with Glendale for a longer period of time".

"The Company will ensure that a clear process is in place for the smooth transfer of employees. Glendale would establish a TUPE Project Team consisting of the company's HR personnel and regional management, whose primary objectives would be to liaise with the Client, and consult directly with employees and employee's representatives. Regular consultation meetings would be scheduled and held".

6. RISK AND MITIGATION

Risk has been considered as part of this report and any specific high risks are included in the table below:

| Category Risk | Action / Controls |
|--|---|
| Glendale does not have a presence in Lincolnshire and would need to secure sufficient work on the framework to justify overhead costs for a manager, supervisor and depot. | Whilst Glendale raised this in there method statement, it is understood from their response at the presentation day that SKDC's lot is sufficient work on its own to mitigate this risk. In addition it is understood that NKDC will also be calling off the Framework with Glendale ensuring further work is available in the geographical area. |

7. ISSUES ARISING FROM IMPACT ANALYSIS

None arising from this report

8. CRIME AND DISORDER IMPLICATIONS

None arising from this report.

9. COMMENTS OF FINANCIAL SERVICES

The table below shows the potential savings when compared to the indicative budget for 2014/15 which will be in the region of £108K per annum.

| | Budget 2013/14 £ | Indicative Budget 2014/15 £ | Updated Budget 2014/15 £ |
|--------------|---------------------|-----------------------------------|--------------------------------|
| Amenity | 462,470 | 473,466 | 420,412 |
| Verges | 80,890 | 82,750 | 47,690 |
| HRA | 236,200 | 241,610 | 170,784 |
| Responsive | 221,620 | 223,160 | 273,904 |
| TOTAL | 1,001,180 | 1,020,986 | 912,790 |

Budget Savings 2014/15

| | |
|-------------------------|----------|
| General Fund | 37,370 |
| Housing Revenue Account | £70,826 |
| Total savings | £108,196 |

Further savings will be achieved if the expenditure in respect of responsive maintenance is reduced. The special expense areas for each of the towns are charged for the costs associated with grounds maintenance works so it is necessary to keep the costs under regular review in order to ensure it remains affordable for each area.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

The procurement process has been carried out by Procurement Lincolnshire on behalf of this Council and other Lincolnshire authorities. This has been done in accordance with this Council's Contract and Procurement Procedure Rules.

11. COMMENTS OF OTHER RELEVANT SERVICES

None received.

12. APPENDICES:

The appendix to this report contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

REPORT TO CABINET

REPORT OF: Joyce Slater Human Resources and Organisational Development Service Manager

REPORT NO: HR & OD 119

DATE: 13th January 2014

| | | |
|---|--|----------------------------------|
| TITLE: | Pensions Policy 2014 | |
| KEY DECISION OR POLICY FRAMEWORK PROPOSAL: | KEY | |
| PORTFOLIO HOLDER: NAME AND DESIGNATION: | PAUL CARPENTER Portfolio Holder Governance and Communication | |
| CONTACT OFFICER: | Joyce Slater Human Resources and Organisational Development Manager joyce.slater@southkesteven.gov.uk | |
| INITIAL IMPACT ANALYSIS: | Carried out and Referred to in paragraph (7) below Stage 1 Completed 29.11.2013 http://moderngov.southkesteven.gov.uk/mgConvert2PDF.aspx?ID=12546 | Full impact assessment Required: |
| Equality and Diversity | | |
| FREEDOM OF INFORMATION ACT: | This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk | |
| BACKGROUND PAPERS | www.LGPS2014.org The Councils Pension policy 2007 http://moderngovsvr/mgConvert2PDF.aspx?ID=4522 The Councils new look pension scheme approved by Council 3 rd March 2008 http://moderngovsvr/mgConvert2PDF.aspx?ID=5171 Additional Pension Policy Statements Officer decision 17 th September 2013 http://www.lgpsregs.org/images/SI/2014regsSept2013 ..\Pension Administrators templates Aug 2013\SKDC Pension additional statements signed October 2013.pdf Statutory Instrument 2013 No. 2356 dated 19 th September 2013 http://www.lgpsregs.org/images/SI/2014regsSept2013 HR guidance updated 13 th December 2013 http://www.lgpsregs.org/images/Versions/HRv2.0 | |

1. RECOMMENDATIONS

- 1.1 That cabinet approve the South Kesteven District Council policy statement in respect of the new Local Government Pension Scheme 2014.
- 1.2 That members agree to the policy being kept under review, pending the release of further guidance and that any subsequent changes being reported back to cabinet for approval.

2. PURPOSE OF THE REPORT

- 2.1 Regulation 60 in SI 2013 2356 requires the council, as a scheme employer, to publish a written statement of its policy in relation to the exercise of its functions. This report to cabinet and the policy statement in appendix 1 will meet this requirement and ensures that the Council has an approved policy in place for 1st April 2014.
- 2.2 It includes a statement of employer discretions and many of these are very similar to those adopted by the council previously.
- 2.3 Any discretion adopted would need to be considered in line with the principles detailed in the policy and that consideration would determine whether the discretion would be exercised or not.

3. DETAILS OF REPORT

Summary of the Changes

- 3.1 The local government pension scheme 2014 (LGPS 2014) is changing from a final salary scheme to an account based Care Average Re-valued Scheme from 1st April 2014.
- 3.2 Local Government Pension Scheme 2014 continues many of the features of the current scheme such as flexible retirement, ill health retirement and introduces the following new elements.
- 3.3 Pension is calculated on the contributions paid into an employee's pension account, on a new set of employee contribution rates which range from 5.5% – 12.5%.
- 3.4 The accrual rate is now 1/49th of salary; the 2008 – 2014 scheme was based on 1/60^t and the pre 2008 scheme was based on 1/80ths.
- 3.5 Pension entitlement after April 2014 can be calculated for each individual as their number of years of local government pension scheme membership divided by 49 multiplied by the career average pay.
- 3.6 Each year's contribution is revalued using the consumer price index rate.
- 3.7 It limits entitlement to benefits to employees with contracts of over 3 months duration and employees have to have contributed to the scheme for 2 years before benefits can be paid.
- 3.8 It introduces a 50/50 option as a short term option to assist in times of hardship.

- 3.9 The age at which employees can draw their local government pension changes to Normal Pension Age – i.e. the age they would get their state pension.
- 3.10 A new feature is that employees can chose to retire early, without employer consent from age 55 and their pensions will be reduced on an actuarial basis. The new government actuaries' guidance is not yet out for the Local Government Pension Scheme 2014.
- 3.11 The current understanding is that all pensions in the previous pension schemes will be fully protected.
- 3.12 Pension contributions are payable on a new definition of pensionable pay – i.e. all pay that is taxable. The regulations and guidance give detailed definitions.
- 3.13 The concept of assumed pensionable pay is introduced. This is used when an employee is on reduced pay (long term sickness or paid child related leave – maternity, paternity, and adoption). The employee now pays pension contributions on pay actually received. The employer must pay contributions based on assumed pensionable pay – what they would have been earning if they were back at work. This is because the individual continues to accrue benefits such as death in service.
- 3.14 ARCs – additional regular contributions have been replaced by Additional Pension contributions (APC's) which can be purchased through regular contributions or by a lump sum payment.

4. Financial Implications

- 4.1 As pensionable pay in the Local Government Pension Scheme 2014 includes overtime and bonus payments such as call out etc., the employers' contributions will increase.
- 4.2 With the introduction of assumed pensionable pay, the employer will attract additional pension contributions when an employee is on half pay or no pay when long term sick or when on maternity/paternity or adoption leave or for first days sick when no pay option is applied. The reason for this is that the employee continues to accrue benefits, for example death in service and ill health benefits.
- 4.3 Employees with authorised unpaid absence can buy back missing contributions and the split of these costs are 1/3rd employee 2/3rd employer. Very few people now take unpaid additional maternity/paternity/adoption leave so the impact is likely to be small and in any case we usually budget for an employee for the whole year.
- 4.4 Employees can make contributions for absences related to strike action and the rate remains 16% as in the current scheme. There is no cost to the employer in relation to these contributions.
- 4.5 The 50/50 option is intended to be a temporary arrangement during periods of hardship for an employee. It is not intended to be a permanent arrangement and at re-autoenrolment the employee who opts for a 50/50 option is re- auto enrolled into the full scheme. For any employee who opts for the 50/50, the employers' contributions remain at the 100% rate. The

rationale behind this is that the employee continues to accrue benefits for ill health and death in service. As the Council currently budgets for pension contributions at 100%, this is likely to be budget neutral and at this stage we can have no idea as to how many staff may chose to use this option.

- 4.6 Part time employee's contribution rates will be based on their total pay, not their full time equivalent rate. While employee contributions may well go down, the employer rate continues so this may be cost neutral.
- 4.7 Overall, the estimated cost of the new Local Government Pension scheme is £44,000. This is based on 2012 - 2013 payroll data. Of this approximately 25% relates to the new employer contributions for sick pay and maternity / paternity / adoption leave. Approximately £34,000 of additional employer costs arises from overtime and additional payments as per the changed definition of pensionable pay and these are now subject to a detailed review, to mitigate some of these costs. In some cases the overtime was to cover vacancies so will not necessarily be reflected in 2014 – 2015 additional employer costs.

5. Policy implications

- 5.1 The attached policy statement details a range of principles that are explicit and need to be considered, on a case by case basis, in every pension release case that requires employer consent.
- 5.2 It also details the discretions specified in the pension scheme regulations. On the advice of the administrators of the Lincolnshire pension scheme, discretion statements have been prepared when the wording in the regulations state "the scheme employer may...." as that infers a choice. In addition the latest HR guidance from the Local Government Association gives details of an additional discretion in relation to the rule of 85 protections.
- 5.3 The policy statement also outlines the Council's approach to a wide range of pension options. Again these have been based on previously approved options in the 2008 – 2014 Pension Scheme.

6. Procedures

- 6.1 The Council has a formal procedure so that each case is considered on its merits on a case by case basis and is scrutinised from a business, HR, legal and financial perspective before a decision to approve a retirement is made.

7. Communications

- 7.1 Staff briefings, in the form of road shows, have been provided by our pension administrators and were publicised in posters and Insight. These were very well attended by SKDC staff. Further briefings are planned.
- 7.2 A Lincolnshire communications plan is being developed by the pension scheme administrators and the Council will use the material they provide in collaboration with our own communications team.
- 7.3 There are plans for a wide range of national promotional material to be created. In particular there are going to be a range of short web based videos around specific details.

The first of these are available at <http://www.lgps2014.org/content/lgps-2014-videos>.

4. OTHER OPTIONS CONSIDERED

This policy is required by the regulations.

The option to not adopt discretions 5.2 and 5.8 in relation to added pension contributions or employer award of additional pension has been proposed in the policy statement because of the financial implications. If the Council were to adopt these discretions there are both significant financial costs that would arise and a detailed set of criteria would need to be specified to ensure a fair application of those discretions. In the current financial climate it is felt that the cost implications of adopting discretion 5.2 & 5.8 outweigh the value of enhancing reward packages.

5. RESOURCE IMPLICATIONS

HR & Payroll

There are operational changes and procedural changes which will have some impact on staff time as the new scheme is introduced and in respect of reports to the pension administrators.

Changes to the HR & payroll system are being developed for all local government users and HR, payroll and ICT staff time will have to be spent on the computer system for implementation and testing.

Finance

Using last year's payroll data, the estimated cost arising from the additional employer contributions is approx £44,000. In the main this arises from additional payments made to staff that are currently not pensionable but will be in the new scheme. A review of these additional payments will be undertaken.

6. RISK AND MITIGATION

Risk has been considered as part of this report and any specific high risks are included in the table below:

| Category Risk | Action / Controls |
|----------------------------|--|
| Legislative non compliance | This report and policy statement will mitigate this risk |
| | |

7. ISSUES ARISING FROM IMPACT ANALYSIS

A stage 1 impact analysis has been completed and no issues have been identified. A stage 2 impact analysis will be completed.

8. CRIME AND DISORDER IMPLICATIONS

None

9. COMMENTS OF FINANCIAL SERVICES

Financial modelling has been undertaken with respect to the likely financial implications of the changes described in the report. The additional costs have been considered as part of the preparatory work for the budget framework for 2014/15. The modelling assumes that current arrangements for overtime and standby payment will continue. However should these arrangements be reviewed which result in a reduction of payments being made then there will be a reduction in the anticipated additional costs.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

Regulation 60 in SI 2013 2356 requires the Council to introduce a new policy statement in respect of the new Local Government Pension Scheme 2014 ("the 2014 Scheme"). The Policy must reflect the proposed changes introduced by the 2014 Scheme and address those areas where the Council has discretion on whether to introduce parts of the Scheme (See paragraph 5 of the Policy). The Policy must be kept under review and be amended to reflect any changes required as a result of any subsequent government guidance that is produced.

11. COMMENTS OF OTHER RELEVANT SERVICES

12. APPENDICES:

Appendix 1 Draft Pensions policy 2014 Statement

Stage 1 Equality Impact Analysis

PENSIONS POLICY 2014 STATEMENT



DECEMBER 2013 v.3

1. Introduction

1.1. The Council's pension policy will comply with the regulations relating to the Local Government Pension Scheme 2014. It defines the employer discretions in the regulations and clarifies the councils approach to the different retirement options.

2. Scope

2.1. The policy applies to all members of staff who are eligible to be members of the local government pension scheme, as defined in the regulations.

2.2. Currently they are employees with a contract of employment of over 3 month's duration and who are under 75 years of age.

3. Objectives

3.1. This policy clarifies the Councils position on the discretions it can exercise in accordance with the Local Government Pension Scheme 2014 regulations and guidance how they apply to different retirement options.

3.2. It also provides clear guiding principles to assist decision making given that the consideration of an employee's retirement, in a range of circumstances, will be considered on its own merits on a case by case basis.

4. Principles

4.1. The Council will treat each individual retirement case and decision on its merits.

4.2. Decisions relating to retirement will be made taking into account the business case and business implications, the financial implications, employment law considerations, the regulations and the legality of each case. It may also take into account long term savings, affordability, skills, skills retention and impact on service delivery.

4.3. The definition of business efficiency shall include, but not be limited to financial savings and or quality improvements judged on a case by case basis. As a general principle the Council requires a reduction in working hours of 33% or a significant reduction in grade for an efficiency to be considered material in flexible retirement

requests.

4.4. Each decision will be made free from discrimination on the grounds of any protected characteristic - age, disability, gender reassignment, marriage or civil partnership, pregnancy & maternity, race, religion and belief, sex, sexual orientation or any other personal criteria.

4.5. The Council's decisions relating to retirement and the release of a pension will be in line with the current pension regulations. These regulations may be updated from time to time and the Council's policy is to default to the regulations if the policy is not explicit on any current or future regulation.

4.6. Decisions relating to retirement for any current employee will be based on the regulations in place at the time of the decision and will incorporate any relevant transitional arrangements that are put in place in relation to the pre 2008 scheme and the new look 2008 – 2013 scheme.

4.7. Decisions relating to the release of deferred benefits to former employees will refer to the relevant pension policies applicable to their pre 2014 service. In all such cases, the decision as to the release of deferred benefits will be on a case by case basis and will take into account the criteria detailed in the principles, particularly principle 2. Guidance may be sought from the pension administrators as required.

4.8. The Council will apply the nationally determined employee contribution rates and bands. These are subject to an annual review and may be varied.

4.9. Employees who are members of the pension scheme are only entitled to receive pension benefits if they have 2 years or more service. If an employee leaves within 2 years of the start of their employment, they will get their contributions refunded if they are not moving onto another local government post.

4.10. Compassionate grounds are defined as: situations of severe personal distress resulting from non financial circumstances affecting the individual or close family member (e.g. partner/spouse/child/parent) leading to unavoidable financial hardship.

4.11. The Council will pay the rate of contributions determined in the regulations for employees whose pay is reduced through ill health or during authorised unpaid leave, including child related leave.



4.13. The Council will apply the relevant transitional arrangements for the LGPS 2014 and for pre 2014 service, the relevant rule of 85 protections in line with the regulations and discretion 5.15.

Pension Arrangements

The Council, as the scheme employer will exercise its discretions under the regulations as detailed in Appendix 1.

The council recognises that there are a number of retirement options and its approach is detailed in Appendix 2.

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5. Discretions

Within the regulations there are a number of discretionary statements that require the Council to explicitly state their position. The discretions detailed below relate to the current LGPS 2014 regulations and guidance. They also reflect discretions approved by the Council for the previous pension scheme policies. These should be read alongside the principles in section 4 and the pensions options in Appendix 2.

5.1 Regulation 9. Contributions.

- 5.1.1. The Council will use the contribution rate defined in the regulations and apply it to staff who are members of the pension scheme in accordance with their pensionable pay.
- 5.1.2. Where an employee has variable pensionable pay throughout the year, the Council will determine the contribution rate based on the total pensionable pay of the previous year and guidance from the relevant line manager and will regularly review the contribution rate to ensure the correct rate is being applied.
- 5.1.3. Where an employee changes their employment within the Council and there is a material change to their pensionable pay during a year (working hours and / or grade), the Council will change the employee's contribution rate when the material change takes effect.

5.2 Regulation 16 Additional Pension contributions (APC's) (2) (e), (4) (e)

- 5.2.1 The Council will not adopt the discretion to fund whole or in part the additional pension contribution whether paid as a regular contribution or as a lump sum.

5.3 Regulation 17 Shared Cost Additional Voluntary Contributions (AVC's)

- 5.3.1. The Council will not adopt the discretion to contribute to shared cost AVC's.

5.4 Regulation 19 Death in Service Payment of Contributions

- 5.4.1. The Council may, under regulation 19 (2) direct the payment of the whole or part of the late employees contributions to the pension scheme to them (their estate), their spouse, civil partner, cohabiting partner or any of their dependents.

5.5. Regulation 22 Aggregation of benefits

- 5.5.1. The Council will adopt the 12 month deadline in line with regulation 22 (7) (b) and 22 (8) (b) on the cessation of a concurrent employment and when a deferred member of

the pension scheme becomes an active member of the pension scheme and wishes to aggregate their benefits.

5.6 Regulation 30 (6) & 32 (4) Flexible retirement

5.6.1. The Council will adopt this discretion and may give consent to flexible retirement and the release of pension benefits.

5.6.2. Each case will be treated on its merits following the consideration of the principles, especially in relation to efficiency.

5.6.3. The payment of flexible retirement pension scheme benefits will become payable on the date of the reduction in hours &/or grade in line with Regulation 32 (4).

5.7 Regulation 30 (8) Actuarial Reductions.

5.7.1. The Council will adopt the discretion to waive, in whole or in part, the actuarial adjustment on early releases in pensions and flexible retirements.

5.7.2. The exercise of this discretion will be considered on a case by case basis and will take into account the principles.

5.7.3. The waiving of actuarial adjustments may be specifically applied to cases which are being considered as an employer consent on compassionate grounds in line with the definition in Principle 4.11.

5.8 Regulation 31 (a) (b) Award of Additional Pension

5.8.1. The Council does not adopt the discretion to award additional pension (up to the additional pension limit defined in the regulations, currently £6500) to employees in the pension scheme or to staff who are dismissed on the grounds of redundancy, business efficiency or terminated on the grounds of mutual consent on the grounds of business efficiency.

5.9 Regulation 36 (1) Ill health retirement benefits

5.9.1. The Council will reach a decision regarding the early payment of pension benefits and the tier payable after it has received the certificate and information provided by the Independent Registered Medical Practitioner.

5.10 Regulation 37 Arrangements regarding Tier 3 ill health benefits

5.10.1 When an employee has received tier 3 ill health benefits and is able to resume employment, it is for the Council to decide whether that employment is "gainful employment" and is likely to continue for at least 12 months. If so, the Council must authorise the cessation of tier 3 ill health benefit payments in line with regulation 37 (3)

and 37 (4). It will consider each case on a case by case basis taking into account the regulations, guidance, the principles and the known facts.

5.10.2. Where an employee has been in receipt of tier 3 benefits the Council will ask for a review by an independent registered medical practitioner and may, based on the certification and information provided, decide to continue the tier 3 benefits up to the maximum of 3 years payable, award a tier 2 ill health pension release or cease the payment of benefits.

5.10.3. In the event that a tier 3 pension is in payment to a former employee or within 3 years of the cessation of such payments, the former employee can request a review of their ill health retirement benefits and the council may decide to award a release of pension benefits at tier 2 following review by an independent registered medical practitioner. The council's decision will be based on the certification and information provided in line with regulation 37 (10), the principles and known facts.

5.11. Regulation 38 Ill health retirement – deferred members and deferred pensioner members

5.11.1. Written requests for early release of pension benefits from deferred pension scheme members or deferred pensioner members may be considered by the Council in line with regulation 38.

5.11.2. These requests will be subject to referral to an Independent registered medical practitioner and the Council will reach a decision based on their certification, the information provided and the principles.

5.12 Regulation 74 (1) Appointment of Adjudicator

5.12.1. The Council will designate its Strategic Director –community & environment focus, currently Tracey Blackwell, as its adjudicator for appeals against retirement decisions. The Council reserves the right to nominate another Director or senior manager to act as adjudicator to cover for absence and to ensure fair consideration of any appeal.

5.13. Regulation 85 Deduction and recovery of member contributions

5.13.1 The Council will adopt the discretion to deduct and recover from an employee's pay any contributions payable by the pension scheme member under the regulations.

5.14 Regulation 91(1) Forfeiture of pension rights after conviction for employment related offences

5.14.1 The Council will adopt the discretion to apply to the Secretary of State for a forfeiture certificate if an employee who is a member of the pension scheme is convicted of a relevant offence committed during their employment and for which they left their employment.

5.14.2. This discretion will be exercised in line with the regulations. In such circumstances the Council will adopt those discretions detailed in regulation 91 (7), 93(1), 93(2) to mitigate any loss subject to the protection of guaranteed minimum pension rights detailed on regulation 95.

5.15 LGPS (Transitional Provisions, Savings and Amendment) Regulations 2013 85 year rule benefits and voluntary retirements between the ages of 55 and 60

5.15.1The Council will not adopt the discretion to apply the 85 year rule to the pre 1st. April 2014 benefits of a scheme member wishing to voluntarily draw benefits on or after age 55 – and before the age of 60.

5.15.2The Council may adopt the discretion to apply the 85 year rule to the pre 1st. April 2014 benefits of a scheme member wishing to retire on compassionate grounds. Consideration of such cases will be on a case by case basis taking into account the principles detailed in section 4 of the policy.

6 PENSION OPTIONS

6.1. Retirement at Normal Pension Age

6.1.1. The LGPS 2014 defines the normal pension age for each member as equal to their state pension age, subject to a minimum age of 65. At the employees normal pension age their pension benefits are paid unreduced and will be based on their Career Average Re-valued contributions in their pension account for service after 01.04.2014.

6.1.2. The accrual rate for contributions after this date is currently $1/49^{\text{th}}$ of pensionable pay and the Council will pay employee contributions and employer contributions to the pension scheme administrators in line with the regulations and the triennial reviews.

6.1.3. All pension contributions paid into the local government pension scheme before 01.04.2014 are fully protected in line with the transitional arrangements.

6.2 Late Retirement

6.2.1. Employees who are members of the pension scheme who work beyond their normal pension age will receive enhanced benefits in line with the Government Actuaries Department guidance and the regulations.

6.3 Retirement below normal pension age

6.3.1. The LGPS 2014 regulation 30 (5) permits current employees to choose to take their retirement pensions from age 55. This election is **without** employer consent and is subject to an actuarial reduction.

6.3.2. The actuarial reduction will be in line with the Government Actuaries Department guidance. In such cases of voluntary retirement between the ages of 55 – 60, the Rule of 85 protections does not apply in line with the discretion 5.15.

6.3.3. This option is available to current employees who are suffering from ill health and who do not qualify for medical certification (incapacity).

6.4. Retirement on the grounds of redundancy.

6.4.1. Where an employee aged 55 or over is dismissed or their employment terminated by mutual consent on the grounds of redundancy, they are entitled to receive immediate payment of their pension and it is not subject to an actuarial adjustment. The actuarial strain continues to be taken by the Council as the employer.

6.4.2. If the employee has been paying additional pension contributions, those additional pension contributions are subject to actuarial reductions in line with the regulation 30 (7) and any further guidance.

6.5. Retirement on the grounds of business efficiency – employer consent

6.5.1. Where an employee aged 55 or over is dismissed or their employment terminated by mutual consent on the grounds of business efficiency, (employer consent retirement) they may be entitled to receive immediate payment of their pension and it is not subject to an actuarial adjustment. The actuarial strain continues to be taken by the Council as the employer in line with regulation 30 (7) (b).

6.5.2. If the employee has been paying additional pension contributions, those additional pension contributions are subject to actuarial reductions in line with the regulation 30 (7) (a) and any further guidance.

6.5.3. The Council has defined business efficiency in its principles (4.2 and 4.3) and will consider each case on a case by case basis in line with the principles.

6.6 Flexible retirement

6.6.1. The Council has adopted the discretion to allow flexible retirements and will consider requests from employees of a case by case basis in line with the principles. Requests for flexible retirement must result in a material efficiency, which is defined in principle 4. 2, namely:

The definition of efficiency shall include, but not be limited to financial savings and or quality improvements judged on a case by case basis. As a general principle the Council requires a reduction in working hours of 33% or a significant reduction in grade for an efficiency to be considered material in flexible retirement requests.

6.7 Ill health retirement

6.7.1. The Council will approve the release of pension benefits on the termination of employment when an employee has meets the following 2 conditions:

1. That the member is, as a result of ill health or infirmity of mind or body, **permanently incapable** of discharging efficiently the duties of the employment the member was engaged in and
2. The member, as a result of ill health or infirmity of mind and body is **not immediately capable** of undertaking gainful employment.

6.7.2 There are currently 3 tiers of ill health retirement benefits that depend on the prognosis for future employment.

- The entitlement to **Tier 1** benefits occur when the employee is unlikely to be capable of undertaking gainful employment before normal pension age. Assumed pensionable pay up to normal pension age for that individual would be applied to their pension account so that the employee's benefits are what they would have got had they continued at work until their normal pension age.
- The entitlement to **Tier 2** benefits occur when the employee is unlikely to be able to undertake any gainful employment within 3 years of leaving their employment but is likely to be able to undertake gainful employment before reaching normal pension age. A 25% enhancement to their pension would be applied as per the regulations.
- The entitlement to **Tier 3** benefits occurs when the employee is likely to be capable of undertaking gainful employment within 3 years of leaving the Council. Tier 3 benefits are payable for a maximum of 3 years based on actual contributions to the end of the individuals employment with the Council. Tier 3 pensions are not enhanced. The Council will arrange a review of a tier 3 ill health retirement after 18 months and as required on a case by case basis.

6.7.3. The Council will determine the tier of ill health pension release based on the certification of a suitably qualified independent registered medical practitioner (IRMP) in line with the regulations and guidance and the principles.

6.7.4 Former employees who are deferred members of the pension scheme may request a release of their pension on ill health grounds at any age and the Council

will reach a decision based on the certification of a suitably qualified Independent registered medical practitioner (IRMP) in line with the regulations and guidance and the principles in the same way as it does for current employees.

6.8 Retirement on Compassionate Grounds

6.8.1 The council will consider retirements on compassionate grounds as an employer consent decision on a case by case basis and in line with the principles, especially 4.11.

6.8.2. The decision as to whether to waive any actuarial reductions or rule of 85 protections is a discretion of the council and will be considered on a case by case basis in line with the principles.

6.8.3. The council may require reports from a suitably qualified independent registered medical practitioner (IRMP) or other professional to inform their decision.

6.9 Temporary Reduction in contributions – the 50/50 option

6.9.1. The 50/50 option is designed to be a short term temporary arrangement during times of hardship, and allows employees to give written notice to pay half the contributions and accrue pension benefits at half the normal rate.

6.9.2. The Council will provide information to an employee in such circumstances so that they understand the impact on their benefits.

6.9.3. The council will pay contributions at the 100% rate in line with the regulations.

6.10 Deferred Members.

6.10.1. Former employees may request the early release of their pension benefits from age 55.

6.10.2 If their employment ceased after 1st April 2014, when the Local Government Pension Scheme 2014 was in place, this may be considered in line with Regulation 30(5). Such requests do not need the consent of the employer as in such cases the benefits are subject to an actuarial reduction in line with the government actuaries' department guidelines.

6.10.3. If their employment ceased before the Local Government Pension scheme 2014 was introduced, they will have their requests considered under the policies

South Kesteven District Council



and regulations in place when their employment with South Kesteven District Council ceased.

6.10.14. These arrangements may be subject to changes in the transitional arrangements and the Council will default to the transitional arrangements in place at the time any decisions have to be made.

Links to other policies & guidance

The Councils Pension policy 2007

<http://moderngovsvr/mgConvert2PDF.aspx?ID=4522>

The Councils new look pension scheme approved by Council 3rd March 2008

<http://moderngovsvr/mgConvert2PDF.aspx?ID=5171>

Additional Pension Policy Statements Officer decision 17th September 2013

<..\Pension Administrators templates Aug 2013\SKDC Pension additional statements signed October 2013.pdf>

Statutory Instrument 2013 No. 2356 dated 19th September 2013

<http://www.lgpsregs.org/images/SI/2014regsSept2013>

<http://www.lgpsregs.org/index.php/the-regulations/timeline-regulations-2014>

Information about the new local government pension scheme 2014

www.LGPS2014.org

HR guidance updated 13th December 2013

<http://www.lgpsregs.org/images/Versions/HRv2.0>



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South Kesteven District Council

Equality Analysis (Stage 1)

Pensions Policy & Procedures 2014

| | | |
|--|---------------------------------------|--|
| Service Area: Human Resources & Organisational Development | Lead officer: Joyce Slater | Date of Meeting 29/11/13 |
| | Assessors: Carol Drury | |
| | Neutral Assessor: Jo Toomey | |

Name and description of policy/service/function/strategy

The Council's Pension Policy 2014 will provide a framework in which decisions regarding retirement and the early release of pensions will be made in line with the Statutory Instrument 2013 No. 2356 the Local Government Pension Scheme Regulations 2013. It will comply with the new regulations, detailing the employer discretions. The procedures detail the sequence of events, documentation and considerations to be made to reach a decision in line with the policy and the principles detailed in it.

Is this a new or existing policy?

New

- 1. Complete the table below, considering whether the proposed policy/service/function/strategy could have any potential positive, or negative impacts on groups from any of the protected characteristics (or diversity strands) listed, using demographic data, user surveys, local consultations evaluation forms, comments and complaints etc.**

| Equality Group | Does this policy/service/function/strategy have a positive or negative impact on any of the equality groups? Please state which for each group | Please describe why the impact is positive or negative. If you consider this policy etc is not relevant to a specific characteristic please explain why |
|-------------------|---|---|
| Age | Aspects of the policy apply to employees at different stages of their working life. | All are positive – i.e. for all employees at any age there are options to increase their pension or use the 50/50 option during times of hardship. Older workers have options for retirement from the age of 55, which is set in statute. Access to full pension will be at state pension age – and this will vary for each employee but will be consistent for each age Actuarial adjustments vary because of differences in life expectancy at different ages of retirement. Actuarial adjustments are determined nationally by the government's actuaries department |
| Disability | This policy benefits those employees who have a disability and who may not be able to work | The policy has a number of options which benefit disabled employees – from the option to retire early, the option to have a flexible retirement and the options relating to ill health benefits |

| | | |
|---------------------------------------|--|--|
| | | During long term absence when the employee's pay is reduced, employer contributions continue at the 100% rate and the employee has the same opportunity to make up their pensions contributions at a future date. |
| Race | No direct impact in terms of race | Policy and procedure applies equally to all employees regardless of race |
| Gender Reassignment | No direct impact in terms of gender reassignment | Policy and procedure applies equally to all employees regardless of gender reassignment |
| Religion or Belief | No direct impact in terms of religion or belief | Policy and procedure applies equally to all employees regardless of religion or belief |
| Sex | No direct impact in terms of gender | Policy and procedure applies equally to all employees regardless of gender as the access to full pension is determined by individual's state pension age, which is different for all employees. Actuarial adjustments differ between men and women because of differences in life expectancy. Actuarial adjustments are determined nationally by the government's actuaries department |
| Sexual Orientation | No direct impact in terms of sexual orientation | Policy and procedure applies equally to all employees regardless of sexual orientation |
| Pregnancy and Maternity | The policy and regulations takes into account the specific circumstances of employees on child related leave | The new regulations have explicit provisions for people with absence for a pregnancy or maternity or adoption related reason to allow them to make up their pension contributions |
| Marriage and Civil Partnership | No direct impact in terms of marriage and civil partnership | Policy and procedure applies equally to all employees regardless of marriage and civil partnership and employees can nominate spouses or civil partners as beneficiaries |

| | | |
|---|---|--|
| Carers | There is an indirect benefit to those with caring responsibilities as the new regulations allow employees to draw pension benefits early from age 55 without employer consent with an actuarial adjustment | In addition flexible retirement is detailed in the policy and the procedure and allows for part time working at a reduced grade and or hours to facilitate such employee needs |
| Other Groups (e.g. those from deprived (IMD*) communities; those from rural communities, those with an offending past) *(IMD = Indices of multiple deprivation) | No direct impact Employees on reserved forces duty have specific arrangements detailed in the regulations. | Employees on reserved forces duty have specific arrangements detailed in the regulations to ensure contributions to their pension account are continued and paid for by the Ministry of Defence. |
| General comments | <p>The policy is required to fulfil statutory obligations and national consultation was undertaken on the regulations prior to their implementation. The policy details the Council's discretions and approaches to the range of retirement options and specifically provides a clear set of principles against which decisions can be made. The procedure is designed to enable the consideration of each decision on a case by case basis taking into account the principles in the policy. The procedure ensures that any decision is scrutinised by the relevant service manager, the People and Organisational Development Service Manager, The Head of Finance and the Monitoring Officer and their views are input into a decision making template before the final decision is made by the Chief Executive or the Strategic Director – corporate focus (& S151 officer).</p> <p>This equality analysis may need to be reviewed once Cabinet has made its decision.</p> | |

3. What equality data/information did you use to inform the outcomes of the proposed policy/service/function/strategy? (Note any relevant consultation who took part and key findings)

The Local Government Pension Scheme regulations SI2013 2356
The Local Government Association & their employer briefing
The Lincolnshire pension scheme administrators
Employee information

If there are any gaps in the consultation/monitoring data, how will this be addressed?

Consultation on the policy will be undertaken with the employees forum and the Joint consultative & negotiating group (the unions)

4. Outcomes of analysis and recommendations (please note you will be required to provide evidence to support the recommendations made): Please check one of the options.

| | | |
|--|--|--------------------------------------|
| a) | No major change needed: equality analysis has not identified any potential for discrimination or for negative impact and all opportunities to promote equality have been taken | x <input type="checkbox"/> |
| | As this policy has not been developed, a stage 2 equality analysis will have to be carried out once it is written. | |
| <i>If you have checked option a) you will need to complete a Stage 3 analysis when your policy/service/function/strategy has been implemented</i> | | |
| b) | Adjust the proposal to remove barriers identified by equality analysis or to better promote equality. | <input type="checkbox"/> |
| <i>If you have checked option b) you will need to answer questions b.1 and b.2</i> | | |
| c) | Adverse impact but continue | <input type="checkbox"/> |
| <i>If you have checked option c) you will need to answer questions c.1</i> | | |
| d) | Stop and remove the policy/function/service/strategy as equality analysis has shown actual or potential unlawful | <input type="checkbox"/> |

b.1 In brief, what changes are you planning to make to your proposed policy/service/function/strategy to minimise or eliminate the negative equality impacts?

b.2 Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision.

Consultation with Management team, Trade union representatives

If you have checked option b) you will need to complete a Stage 2 equality analysis

c.1 Please provide an explanation in the box below that clearly sets out your justification for continuing with the proposed policy/function/service/strategy.

If you have checked option c) you will need to complete a Stage 2 equality analysis. You should consider in stage 2 whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact.

Signed (Lead Officer):
(Name and title)

Joyce Slater HR & OD Service Manager
[Click here to enter text.](#)

Date completed:

29/11/13

Signed (Neutral Assessor):
(Name and title)

Jo Toomey
Principal Democracy Officer

Date signed off:

06/12/13

REPORT TO CABINET

REPORT OF: Head of People, Projects and Performance

REPORT NO: PPP01

DATE: 13th January 2014

| | | |
|--|--|----------------------------------|
| TITLE: | Customer Access Strategy | |
| KEY DECISION OR POLICY FRAMEWORK PROPOSAL: | KEY DECISION | |
| PORTFOLIO HOLDER: NAME AND DESIGNATION: | PAUL CARPENTER Portfolio holder: Governance & Communication | |
| CONTACT OFFICER: | Sue Griffiths Head of People, Projects and Performance s.griffiths@southkesteven.gov.uk | |
| INITIAL IMPACT ANALYSIS: Equality and Diversity | Carried out and Referred to in paragraph (7) below | Full impact assessment Required: |
| FREEDOM OF INFORMATION ACT: | This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk | |
| BACKGROUND PAPERS | Stage 1 Equality Analysis http://moderngov.southkesteven.gov.uk/ieListDocuments.aspx?CId=164&MId=2926&Ver=4 | |

1. RECOMMENDATIONS

- 1.1 That Cabinet approve the Customer Access Strategy, attached as Appendix One, which will determine the way in which customers receive services from the council.

2. PURPOSE OF THE REPORT

- 2.1 South Kesteven District Council provides a large number of services to its residents and wants to be known for excellent customer service. In order to ensure that the council delivers customer service in a consistent, cost effective and empathetic manner the council has developed a Customer Access Strategy to cover the period up to 2016.

3. DETAILS OF REPORT

- 3.1 Good customer service makes for an efficient organisation because it provides what the customer wants and reduces failure demand. Getting it right for the customer can therefore save money as well as driving up customer satisfaction levels.
- 3.2 The Customer Access Strategy is based on the council's values that describe how we will behave with customers and manage their access to the council's services. It provides a clear picture of what the council wants to achieve.
- 3.3 Customer service across all sectors is changing as a result of evolving technology. Although councils have lagged behind the private sector many are now embracing smarter technology to support customer interactions.
- 3.4 Information in the strategy has been collated from a range of sources within the council. This provides a lot of detail, in some areas, but does not provide a comprehensive overview of customers as we do not have a single view of the customer. One of the aims of the strategy is to develop better information on customers.
- 3.5 The Citizen's Panel have provided valuable information about how people contact the council and how they may choose to contact the council if there was more choice. It shows an appetite for more online transactions.
- 3.6 The council has already done a great deal to date to improve customer service from a cultural perspective but there is more that needs to be done. In particular there is a need to determine the best technology to deploy across the council.
- 3.7 This strategy sets out the council's vision and an overall model to achieve the intended outcomes across five themes essential to the maintenance and development of excellent customer service.
- 3.8 The five themes are ethos & standards; systems & intelligence; face to face, telephony and online and are set out in some detail in the document. They will be supported by detailed action plans, refreshed on an annual basis.

4. OTHER OPTIONS CONSIDERED

4.1 None. The council requires a strategy a consistently excellent approach to customer service.

5. RESOURCE IMPLICATIONS

5.1 The council will support the delivery of the strategy through previously identified resources. It is expected that changes to existing practice will generate savings over the period of the strategy.

6. RISK AND MITIGATION

6.1 Risk has been considered as part of this report and there are no specific high risks.

7. ISSUES ARISING FROM IMPACT ANALYSIS

7.1 A stage 1 impact analysis has been completed. A stage 2 analysis will be completed in conjunction with the development of the action plan.

8. CRIME AND DISORDER IMPLICATIONS

8.1 None

9. COMMENTS OF FINANCIAL SERVICES

9.1 The strategy sets out the architectural framework and the detailed action plans that support each of the five themes will include the financial implications of delivering those actions. As channel shift is a major component of the strategy it is anticipated that investment into technological solutions may be required to deliver future revenue savings that can be incorporated into budgets.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

10.1 There are no specific legal implications in the production of the Customer Access Strategy.

11. COMMENTS OF OTHER RELEVANT SERVICES

11.1 None.

12. APPENDICES:

- Appendix 1 Customer Access Strategy

Customer Access Strategy

DRAFT

Appendix One

| | Customer standards | Customer Intelligence | Face to face | Telephony | Online |
|----------|---|--|---|--|---|
| Outcomes | <ul style="list-style-type: none"> • Consistent excellent approach • Customers treated as individuals | <ul style="list-style-type: none"> • Single view of the customer • Understanding of cost & demand • Planning services around customer | <ul style="list-style-type: none"> • Focused on vulnerable customers • Improved efficiency in order to reinvest in services | <ul style="list-style-type: none"> • Customers get to the right person/service as quickly as possible • Consistent excellent approach • Improved efficiency in order to reinvest in services | <ul style="list-style-type: none"> • Majority high volume demand available online (maximise channel shift) • Improved website • Digital by preference |
| Actions | <ul style="list-style-type: none"> • Clear standards for all access channels • Regular monitoring • Staff development • People strategy to drive changed behaviour • Standard letters/email responses • Staff using web as tool for serving customers | <ul style="list-style-type: none"> • Having the right technology in place • Understand what technology is telling us • Coordinated customer consultation e.g. Citizen's Panel • Regular monitoring quality/length of calls | <ul style="list-style-type: none"> • Focus on those who most need it • Support customers to use other channels • Work in partnership | <ul style="list-style-type: none"> • Have one "golden" number • Getting one right telephony system and management in place • Better routing of calls • Support customers to use other channels | <ul style="list-style-type: none"> • Services thinking online first • Clear roadmap for online programme • Training staff to move transactions online • Better and focussed use of social media • Better integration of systems • Single route for emails |

Our customer values

| | | | | |
|--------------------------------------|---------------------------------------|---------------------------------------|---|---|
| Deliver what we promise consistently | Put ourselves in our customers' shoes | Improve by listening to our customers | Resolve customer queries in quickest way possible | Put things right when we get it wrong and apologise |
|--------------------------------------|---------------------------------------|---------------------------------------|---|---|

Appendix One

VISION: To be known for excellent customer service

1 Executive Summary

- 1.1 Good customer service makes for an efficient organisation because it provides what the customer wants and reduces failure demand. Getting it right for the customer can therefore save money as well as driving up customer satisfaction levels.
- 1.2 The Customer Access Strategy is based on our values that describe how we will behave with customers and how we will manage their access to the council's services. It provides a clear picture of what we want to achieve.
- 1.3 Customer service across all sectors is changing as a result of evolving technology. Although councils have lagged behind the private sector many are now embracing smarter technology to support customer interactions. This is being driven by the desire to improve customer service but also to make savings, often as part of transformation programmes.
- 1.4 Information has been collated from a range of sources within the council. This provides a lot of detail, in some areas, but does not provide a comprehensive overview of customers as we do not have a single view of the customer. Because of the way we organise ourselves and the technology we use, we can only get a partial picture of demand. Indeed, customers may have to interact with us in ways they would prefer not to. In future our Citizen's Panel will help us to build a picture of how people may choose to contact us if there was more choice.
- 1.5 We have already done a great deal to date to improve customer service from a cultural perspective but there is more that needs to be done. In particular we have not yet determined our approach to using technology across the council as a whole. This limits our ability to treat the customer as an individual person rather than a user of a particular service.
- 1.6 This strategy sets out our vision, with a set of intended outcomes and includes an overall model to achieve these across a range of fronts from how we develop our standards and ethos, to how we roll out a consistent approach to the different methods of access. The five themes are ethos & standards, systems & intelligence, face to face, telephony and online and are set out in some detail in the document. They will be supported by detailed action plans, refreshed on an annual basis.

2 Introduction

- 2.1 The council has an ambitious set of priorities for the district and its residents which are designed to create the environment for success. Being a well run council is essential to the delivery of these priorities and a critical element of this is to be customer focussed. The

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more we listen to our customers and provide the service they require, the more we eliminate waste, reduce failure demand and improve customer satisfaction. At a time when our resources are shrinking as an organisation this is particularly important. This strategy has the potential to drive both improved satisfaction and reduced costs but only if we are clear what goal we have in mind and how we will get there.

- 2.2 The current Customer Services Strategy was developed in 2011/2012. This has driven the customer focus work over the last twelve months. Many of the actions have been completed and the lessons learnt have shaped this strategy. We now have greater clarity about what the issues are and are therefore in a better position to drive through a realistic roadmap for success. This strategy aims to set out the broad principles for customer access, taking into account what we know about our customers and what we can learn from other councils and from the private sector. It will help us to build a recognisable SK brand, one that stands for excellent customer service across the council.
- 2.3 The Strategy is based around our values and behaviours setting a vision for how we will behave with customers and how we will manage their access to services. The broad principles are as follows:

2.3.1 How we will behave with customers

| | | | | |
|--------------------------------------|---------------------------------------|---------------------------------------|---|---|
| Deliver what we promise consistently | Put ourselves in our customers' shoes | Improve by listening to our customers | Resolve customer queries in quickest way possible | Put things right when we get it wrong and apologise |
|--------------------------------------|---------------------------------------|---------------------------------------|---|---|

2.3.2 How we will manage customer access

| | | | | |
|---|--|------------------------------------|---|---|
| Provide clear information about our services to all | Ensure consistent quality for all access methods | Have a single view of the customer | Support vulnerable customers or complex queries | Enable "digital by preference" access to key services |
|---|--|------------------------------------|---|---|

- 2.4 The strategy will look at what is happening in customer services generally. This will include what the trends are and how other councils in particular are responding to the challenges. The strategy sets out what we know about our customers currently, how they interact with us and what they tell us about how they might do so in future. It sets out an overall direction for where we want to be, assesses our current reality and develops a model for driving and improving customer access and satisfaction.

3 What is happening in customer services generally?

- 3.1 The latest figures show that 83% of households have internet access with 73% adults accessing the internet every day, 53% doing so using a mobile phone. While the rate in

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South Kesteven may not be as high due to poor broadband connection in some parts of the District, it is likely that, the overwhelming majority of adults use the internet on a regular basis in all but the over 75+ age group. This has raised expectations about accessing public services online too. Many central government departments such as HM Customs & Revenue have tried to drive customers more and more to the internet, whilst DWP have aspired to “digital by default” in the administration of universal credits when they are introduced.

- 3.2 Some councils have taken an equally robust view, with clear policies of getting people to switch from face to face and telephone to online. Sometimes this has been done by making other channels less attractive or by making online services easily accessible. There is no doubt that with the cost of online transactions averaging 15p, compared to £8.62 for face to face and £2.83 for telephone transactions, there are powerful incentives to encourage our customers to switch access channels. Estimates suggest a 25% shift on both could generate £162,000 savings per annum.
- 3.3 Telephony too has changed with it being possible in the banking and retail sectors to complete whole transactions without speaking to a human being. Elsewhere voice recognition and other ways of routing callers more quickly to their destination person or service are also becoming more familiar. And these methods are also finding their way more and more into the public sector. Mobile devices can provide a way of seeing people in their own homes or other venues without the full facilities of a bespoke customer service centre. Many councils are now investing in software that allows customers’ full history to be viewed whatever service they are accessing so that a holistic view of their needs can lead to a better experience and outcomes. It’s clear with all these available technologies that the world of customer services is changing, as are the public’s expectations. So what are other councils doing?

4 What do we know about what other councils are doing?

- 4.1 Many other councils have moved more quickly to shift channels. Many have done so as part of their overall transformation programmes to actively encourage customers to do business online or to self serve, in the revamped customer services centres. Some councils have gone into partnership to modernise their technology with IT providers to drive down the costs of procurement by jointly developing products. The use of apps on smart phones and tablets is also becoming more prevalent with several companies focussing on technology available to an increasing number of customers. In terms of telephony councils both large and small have made significant savings by extending the automation of their offer and improving their efficiency. Examples of the level of savings include one council who reported savings of over £170,000 from the first 28 transactions put online while another have achieved a 5% year on year reduction in calls since 2005 through a coordinated channel shift programme. Clearly there is more research to do to establish good and innovative practice. This will be an ongoing aspect of the strategy work.

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5 What we already know about our customers

- 5.1 Our customers access the services we provide through a range of different channels, primarily via the telephone or in a face to face environment. We know that some of the interactions that our services have with customers are not recorded because we do not have consistent data. However we have collated the information currently available to give as full a picture as possible and further details are set out in Appendix Two.
- 5.2 The Customer Service Centre received over 85,000 telephone calls in 2012/13. These were answered by the multi-disciplined staff team based in our customer service centres. There are also two “mini call centres” in Revenues & Benefits and Repairs that take calls directly and received over 100,000 calls in 2012/13.
- 5.3 The Customer Services Team also handles nearly 20,000 enquiries each year in a face to face environment through our offices in Grantham and nearly 10,000 at the three area offices. Enquiries cover everything from paying a bill to making a planning application. The team promote self service where it is available and take on more of an advocacy role where necessary although both these could be expanded with training.
- 5.4 A face-to-face service is provided for benefits in Grantham and Bourne and during 2012/13 10,554 customers were seen at Grantham. Until the South Kesteven Community Access Point opened it was not possible to identify how many customers were seen by benefits advisors and how many were seen by customer service staff at Bourne. All enquiries are now dealt with by benefits staff and 612 customers were seen in the first quarter of 2013/14.
- 5.5 The service offer in Bourne has changed considerably from March 2013 with a total of 2,061 customers visiting in the first quarter. It is expected that these numbers will continue to grow as further, more targeted promotional activity is completed over the next few months. The numbers served could almost double on current trends, demonstrating a continuing appetite for face to face for some customers. However we have not yet analysed whether this indicates a shift from Grantham face to face interactions.
- 5.6 We have a limited ability to report on emails across the organisation and has only been possible to identify the number of emails for customer services (6,726) and revenues and benefits (14,593).
- 5.7 The web page sees a significant number of unique visitors each year, some 408,648 in 2012/13. It is clear that customers want to use our web page to interact and not just to find information. Other than the home page the most popular services were planning, building control, waste and recycling with nearly 36,000 visits being to make payments. Mystery shopping undertaken in 2011 showed considerable issues in relation to the accuracy of information on the website and lack of functionality. While resources have been made available to improve the former the issue of transactional ability is more dependent on future decisions about technology.

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- 5.8 In terms of report and enquiry forms nearly 5,000 online service requests were made during 2012-13, with the most popular services being revenues & benefits, housing , planning and building control. There is a clear demand from customers to make enquiries over the website. Further analysis of the general enquiry – ask a question form is possible and may help the authority tailor its offering to better respond to customer enquiries.
- 5.9 Both housing repairs and requests for housing advice see high levels of web-based traffic. A high volume of this traffic is through customer services operatives using the online system. This demonstrates that the website is not only a tool for our customers to use, but, with appropriate integration, can assist frontline officers in delivering high quality services.
- 5.10 We have a number of limitations in relation to the customer information presented here. Firstly we have a number of separate management arrangements for different aspects of customer service which makes consistency challenging. The telephony protocol recently agreed has improved customer responsiveness but monitoring is difficult. The proliferation of different customer databases makes it impossible to measure overall customer contact as we are unable to identify those customers who in receipt of different services or indeed those who are passed from one part of the organisation to another.
- 5.11 So we know something about how customers contact us but what are their preferences going forward. We recently commissioned a survey with our Citizens' Panel and almost 60% of respondents had contacted the council in the last year. A third of these wanted to obtain information or guidance while one in five wanted to make a complaint. The majority of customers contacted us by phone (61.7%) or in person (16%). Although some people preferred this method others said it was because their issue was complex, they were unsure who they needed to speak to or they could not find what they were looking for on the website. Overall when all members of the panel were asked how they wished to contact the council **less than 10% wanted face to face contact and 55% wanted phone contact**. Interestingly 13% said that their preferred contact was dependent on the reason.
- 5.12 In terms of knowledge about what could be done online, although a large majority were aware they could pay online or obtain information, only 58% knew they could report a problem or make a complaint online and only 45% knew they could request a service. Nine out of ten respondents had access to a tablet/laptop or PC, while 40% had smart phones. The results suggest that many of our residents have both the means and the inclination to interact with us online but we have not yet enabled them to do so either because we have not developed those methods yet or marketed sufficiently where they do exist. This work provides some good support for the ethos of “digital by choice” and a potential shift to more cost effective methods of contact, while confirming that for some complex interactions customers may still prefer a more human face to the council.

6 What do we know about our technology?

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- 6.1 The council commissioned an audit of its 15 core applications in Spring 2013. This highlighted that previously services had often commissioned systems independently of each other. There is now a corporate ICT Steering Group which will oversee all new applications as well as the overall strategy, however the report drew attention to three systems that required immediate attention, including the CRM and 5 applications had concerns raised about them, including several customer facing systems and two document management systems. These findings are now being used to form a roadmap for the technology required to support this customer access strategy and other aspects of being a well run council.
- 6.2 There is also a need to resolve our position on telephony. There is a mix of systems for front facing services including some direct dials, ACD technology and use of hunt groups. Although the telephony system was not highlighted in the audit, there is some evidence that the deployment of the technology is not maximising its potential or its flexibility. There is little, if no, integration into other systems and our current approach is too reliant on staff, for instance, to provide caller details on transfer rather than this being done electronically.
- 6.3 Overall this plethora of supporting technology does not allow for an effective interaction with the customer across and between services but rather provides a siloed and potentially fragmented experience for the customer.

7 Our Journey – current reality

7.1 The council has had a Customer First programme for some years and reaffirmed a commitment to a strong customer focus in 2011. In order to have an independent view of how it was doing the council commissioned some mystery shopping in 2011 which, together with what we already knew, gave us a useful perspective on all our channels and methods of access. Since then we have focused on resolving a number of key issues:

7.1.1 We have:

- Developed a new approach to customer feedback
- Set up an automated approach to green waste take up
- Set up a Citizens' Panel
- Appointed a fixed term Web Officer
- Developed a telephony protocol
- Taken our staff and managers through a Hearts & Minds training programme
- Opened South Kesteven Community Access Point in Bourne
- Standardised waiting process re: abandoned calls

7.1.2 However we:

- Are not able to get an overall picture of customer demand and interactions
- Have a large number of customer systems with little integration
- Have a CRM which will require replacing fairly soon

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- Have a web-site which has limited transactional functionality.
- Cannot monitor emails easily across the council
- Operate two models in relation to customer access, a corporate customer contact centre which handles most interactions for a range of different services and other services who handled their own customers, with some setting up their own call centres.
- Do not yet have a clear roadmap for joining up our technology

8 Where do we want to be in 2016?

8.1 The key outcomes that we expect our customers to see over the next three years are:

- Customers influencing more the way that our services are delivered
- The customer seeing us as one organisation and the council seeing them as one customer.
- Clear and consistent customer standards whatever the access channel.
- Resolution at first point of contact wherever possible.
- An effective website with end to end functionality for service requests.
- Interaction between council and customers to be “digital by preference”
- Consistently improved performance against an agreed relevant suite of measures.
- Support for vulnerable customers/complex issues
- Ability to predict future demand of customer need
- Better handling of customer feedback and real learning from our mistakes.
- Focus on reducing the cost of customers interactions

9 The Customer Access Strategy Model

9.1 The customer access strategy seeks to drive both cultural and technological improvements in how we do business with, and for, our customers. It forms a cornerstone of our well run council priority along with the people strategy and the agile programme.

9.2 The themes of the strategy are set out in the diagram below. This model aims to provide a holistic approach to the different elements required to build a road map to take the council forward to make even more improvements in the next three years. Action will be required on all five themes if the vision, principles and outcomes are to be achieved.

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9.2.1 Theme One: Customer ethos and standards

This theme will focus on creating a stronger and more consistent customer focussed culture for the council. It will support and drive the way we behave with customers as set out in the introduction. Within this theme standards will be developed, to be more consistently monitored and staff will be further developed in meeting customer expectations.

9.2.2 Theme Two: Customer systems & intelligence

This theme will focus on understanding customer demand and being able to use the information we hold about customers to plan services. It will also develop better methods of collecting outcomes and costs.

9.2.3 Theme Three: Customer Face to Face

This theme will develop a strategic approach to our face to face offer. It will provide clarity about which customers this channel should be focussed on and how costs can be reduced over time.

9.2.4 Theme Four: Customer Telephony

Telephony is currently our most used access channel and this theme will develop the most cost effective approach going forward, looking at available technology. It will also focus on ensuring consistency as it is the most diverse method of contact.

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9.2.5 Theme Five: Customer Online

Online functionality is the most underdeveloped access channel currently and has the potential for considerable savings. This theme will develop the “digital by preference” approach, preferred by an increasing number of customers and preferred by the council as being the least expensive channel.

10 How we will measure success

10.1 More detailed information of how our intended outcomes will be delivered for each theme are included in Appendix One. Milestones and targets will be developed against which success can be measured. However the overall measures of success are set out below.

1. We will have a high level of satisfaction from residents in relation to the information they have about our services and expected outcomes; the way their queries are resolved and our response to their feedback.
2. We have made significant investment in our face to face offer at Bourne and Grantham that will continue to be important, particularly for vulnerable customers. But we will seek to improve efficiency so that we can reinvest in services, through partnership and supporting customers to use our self serve offer.
3. Telephony is currently a popular, but relatively expensive offer which lacks a consistently high standard across the council. We will look to reduce the costs significantly through a more standardised offer and through exploiting efficient but user friendly technology.
4. Online functionality needs to be developed to cover 75% of services to shift all willing and able customers and transactions onto the most cost effective option.

11 Conclusion

11.1 South Kesteven is committed to providing excellent customer service. This strategy is intended to provide clarity about what this will look like. It also sets out a model for achieving success and will be used to communicate our approach to both customers and our staff. More detailed action planning will be required once the strategy is adopted but we believe this sets out a clear direction of travel for the council in this important area.

Appendix One

Appendix One

1 **Theme One: Customer ethos & standards**

1.1 **What do we want to achieve?**

- To meet our customer values & behaviours
- Consistent excellent approach across the council
- Ensure we are taking the best practice onboard
- Listening and responding to customers
- Concern and support for vulnerable customers
- Customers treated as individuals

1.2 **How will we achieve this?**

- Clear standards in relation to all access channels e.g. telephony
- Regular monitoring by managers and staff held to account
- Learning & development focussed on changing behaviour
- Using people strategy to underpin a change in culture
- Standard letters/email responses
- Staff using web as tool for serving customers (most up to date information)

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2 Theme Two: Customer systems & intelligence

2.1 What do we want to achieve?

- Single view of the customer wherever feasible and desirable
- Understanding of current demand
- Anticipating future demand to be able to respond
- Planning services around customer
- Customers having access to information about themselves & their services
- Understanding of real costs of transactions

2.2 How will we achieve this?

- Having the right technology in place
- Resources to interrogate & coordinate what technology is telling us
- Coordinated consultation supported centrally
- Effective use of Citizen's Panel
- Satisfaction surveys that are consistent across the council
- Management information to monitor quality/length of calls

Appendix One

3 Theme Three: Customer Face to Face

3.1 What do we want to achieve?

- Reduced cost by diverting customers or partnerships
- Clarity about where and how Face to Face offer will be delivered
- More than one agency services sharing accommodation (where feasible)
- Continued review and development of offer

3.2 How will we achieve this?

- Focussing Face to Face on those who most need it
- Supporting customers to change their behaviour
- Working in partnership
- Using Face to Face as a stepping stone to e-transactions wherever possible

Appendix One

4 Theme Four: Customer Telephony

4.1 What do we want to achieve?

- Improved standards of customer service
- Customers get to the right person/service as quickly as possible
- Consistent approach across the council
- Telephony part of the “intelligence” system
- More transactions over phone e.g.payments

4.2 How will we achieve this?

- Having one “golden” number & reducing direct dials
- Getting one right telephony system in place
- Better routing of calls
- Sensible use of automation
- Looking at the overall management of customer facing telephony

Appendix One

5 Theme Five: Customer Online

5.1 What do we want to achieve?

- Majority high volume demand available online (75%)
- Much improved web information for customers and staff
- Improved transactional functionality on the web
- Better management of emails
- Digital by choice not by default
- Secure using online transactions
- Maximise channels for engagement

5.2 How will we achieve this?

- Services thinking online first
- Clear roadmap for online programme
- Establishing resources to implement changes
- Training staff to move transactions online
- Encouraging shift in customers' behaviour
- Better and focussed use of social media
- Better integration of systems
- Single route for emails and scripted answers
- Customer portal for authentication

Appendix One

Appendix Two

1 Customer Statistics

1.1 Statistics are available for 2012/13 for both the telephone and face to face interactions at Grantham and the area offices. For Bourne, statistics have also been provided from April 13 onwards at the new South Kesteven Community Access Point and Library. Some limited information is available for emails and web traffic for 2012/13.

1.2 Customer services telephone demand 2012-13

| 2012 to 2013 | | Dev Control | EH | Green Bin | Housing Solutions | Land Charges | Licensing | Payments | Rents | Town Centre | Waste | Total |
|--------------|---------------|-------------|------|-----------|-------------------|--------------|-----------|----------|-------|-------------|-------|-------|
| Total | Calls Offered | 11879 | 8832 | 19888 | 1945 | 1616 | 2702 | 7698 | 9518 | 27 | 21241 | 85346 |
| | Calls Handled | 10790 | 7854 | 18619 | 1761 | 1522 | 2426 | 7169 | 8620 | 16 | 19635 | 78412 |

1.3 Other services telephone Demand (ACD calls only)- 2012-13

| 2012 to 2013 | Calls Offered | Calls Handled |
|--------------|---------------|---------------|
| Benefits | 33173 | 32151 |
| Repairs | 27842 | 26343 |
| Council Tax | 27710 | 27005 |
| Enforcement | 13199 | 12089 |
| Total | 101924 | 97588 |

1.4 Customer services face to face demand (Grantham) 2012 -2013

| 2012 to 2013 | Council Tax | EH | Fraud & Enforcement | Housing Management | Housing Register | Housing Solutions | Licensing | Market Place Project | Other | Payments | Payments - Green Bin | Planning | Rents | Waste | Total |
|--------------|-------------|-----|---------------------|--------------------|------------------|-------------------|-----------|----------------------|-------|----------|----------------------|----------|-------|-------|-------|
| Total | 2664 | 404 | 338 | 3369 | 1247 | 1242 | 1207 | 4 | 109 | 4288 | 577 | 1241 | 817 | 720 | 18227 |

1.5 Benefits face-to-face demand - Grantham - 2012

| | |
|--------------|--------------|
| | Benefits |
| Total | 10554 |

1.6 Benefits face-to-face demand - Bourne Q1 2013

| | |
|-------------|-----|
| Drop-in | 442 |
| Appointment | 170 |

Appendix One

1.7 Area office face to face demand 2012-13

| | Bourne | Deeping | Stamford |
|----------------------|-------------|-------------|-------------|
| Council Tax | 489 | 160 | 306 |
| EH | 58 | 32 | 23 |
| Fraud & Enforcement | 12 | 0 | 4 |
| Housing Management | 508 | 56 | 179 |
| Housing Register | 345 | 171 | 260 |
| Housing Solutions | 362 | 89 | 265 |
| Licensing | 198 | 229 | 306 |
| Market Place Project | 20 | 0 | 31 |
| Other | 189 | 21 | 50 |
| Payments | 1213 | 544 | 916 |
| Planning | 121 | 81 | 94 |
| Rents | 193 | 35 | 106 |
| Waste | 922 | 419 | 785 |
| Total | 4643 | 1837 | 3325 |

1.8 South Kesteven CAP Demand - Q1 2013/14

| Service | Total |
|--------------------|-------------|
| Benefits | 612 |
| Council Tax | 370 |
| Non SKDC –e.g.LCC | 172 |
| Waste Services | 133 |
| Housing Solutions | 132 |
| Rents | 109 |
| Housing Management | 87 |
| Housing Register | 72 |
| Planning | 62 |
| Repairs | 52 |
| Payments | 34 |
| Licensing | 28 |
| Electoral Roll | 18 |
| EH | 16 |
| Others | 164 |
| Total | 2061 |

Appendix One

1.9 Emails

| 2012 | |
|-----------------------|---------------|
| | No. of Emails |
| Customer Services | 6,726 |
| Revenues and Benefits | 14,593 |

2 Web page statistics – April 2012 – March 2013

2.1 Online demand

| | |
|-----------------|-----------|
| Visits: | 662,470 |
| Unique visitors | 408,648 |
| Page views | 2,377,056 |
| Pages per visit | 3.59 |

2.2 Top 10 pages visited

| Page | Number of visits |
|--|------------------|
| Home page (<i>inc article id 1</i>) | 333,086 |
| Planning – search for a planning application | 188,757 |
| Garden Waste | 130,895 |
| Planning and building control home page | 90,821 |
| Search page | 77,095 |
| Waste and recycling home page | 47,584 |
| Re-join garden waste page | 36,739 |
| Working for SKDC page | 36,491 |
| Online payments | 35,770 |
| Council Tax and Benefits page | 28,148 |

2.3 Monthly use of report it and enquiry forms

2.3.1

| | | Report It and Enquiry Forms | | | | | | | | | | | | |
|--------------|--------------------------------|-----------------------------|--|---------------------------|----------------------------------|-------------------------|-------------------|---------------------|---|------------------|-------------------------|--------------------|--------------------|----------|
| 2012 to 2013 | Abandoned Vehicle Notification | Ask a Question & Register | Change of Circumstance - household members | Change of Tenancy Details | General Enquiry - Ask a Question | Incident Reporting Form | Missed Collection | Report It - General | Report of Nuisance or Threatening Behaviour | Street Furniture | Street Lighting Enquiry | Street Litter Bins | Street Name Plates | Syringes |
| Total | 5 | 2 | 145 | 1 | 1154 | 1 | 90 | 30 | 46 | 21 | 121 | 6 | 12 | 2 |

Appendix One

2.3.2

| | | Council Tax and Benefits | | | | | | | | | | |
|--------------|---|--------------------------|---|---|-----------------------|----------------------|--------------------------------|--|------------------------|------------------|---------------------------------------|--|
| 2012 to 2013 | Application for Mandatory / Discretionary Rate Relief | Benefit Appeal Form | Amendments due to Permanent Care/Nursing Home | Council Tax Vacation / Occupation Details | Disablement Reduction | Dwelling Repossessed | Exempt Dwellings Uninhabitable | Housing Benefit and Council Tax Benefit Backdated Claims | Single Person Discount | Student Discount | Unoccupied and Unfurnished Properties | |
| Total | 2 | 1 | 3 | 235 | 1 | 1 | 1 | 10 | 106 | 4 | 25 | |

2.3.3

| | | Housing | | | | | |
|--------------|-----------------------------------|--|---------------------------|-----------------|---------------------------|----------------------------|--|
| 2012 to 2013 | Alterations to a Council Property | Estate Management Gardening Request Form | Garage Termination Notice | Housing Repairs | Rehousing Decision Appeal | Request for Housing Advice | |
| Total | 5 | 1 | 3 | 171 | 2 | 832 | |

2.3.4

| | | Planning & Building Control | | | | | | | |
|--------------|---|-----------------------------|-------------------------------|---------------------------|--------------------|--|---|----------------|--|
| 2012 to 2013 | Application for a Regularisation Certificate - Form BR8 | Building Notice BR2 | Do I need planning permission | Full Plans Submission BR1 | Local Land Charges | Notice of Intention to Erect a Conservatory, Porch, Carport, Covered Way etc | Notice of Intention to Erect a Detached Garage, Garden Shed or Greenhouse | Representation | |
| Total | 3 | 80 | 174 | 24 | 406 | 5 | 6 | 966 | |