

APPENDIX M

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 13 APRIL 2010

Title:

LONG SERVICE AWARDS

**[Portfolio Holder: Cllr Ms Denise Le Gal]
[Wards Affected: N/A]**

Summary and purpose:

This report proposes a revised Long Service Award scheme for staff. The current scheme has been in place for many years and is due for a refresh.

How this report relates to the Council's Corporate Priorities:

This report relates to the Corporate Priority - Value for Money.

Equality and Diversity Implications:

This report is compliant with equality and diversity legislation.

Resource/Value for Money implications:

The resource implications are detailed within the report.

Legal Implications:

This report is compliant with legislation.

Introduction

1. The existing Waverley Long Service Award Scheme provides a small cash payment to long serving staff on retirement in recognition of their service. This payment is taxable and is only made on retirement, this is felt to be inequitable and means the scheme offers no in-service retention benefits
2. The award levels were set over twenty years ago:
 - £50 for 10 years' service
 - £100 for 20 years' service
 - £150 for 30 years' service

The Revised Scheme

3. The proposal is that the existing scheme be replaced with a scheme, which rewards staff for continuous service as soon as they achieve a milestone, rather than on retirement and to reward service from 20 years onwards. This would allow us to make the entire scheme non-taxable, as gifts for employees with less than 20 years' service are taxable.
4. The employee would receive a congratulatory letter on their anniversary containing an invitation to the next staff awards and a request for them to inform HR of a long term service gift (or store voucher) that they would like up to the a set value.
5. The Mayor would present the employee with their gifts at the Staff Awards ceremony. The proposed changes are summarised in the table below:

Years of Service	Reward provided under existing scheme only on retirement	Proposed award under new scheme presented at Staff Awards
10	£50 cash (taxable) Provided to all staff that have completed 10-19 years' service on retirement.	Discontinued
20	£100 cash (taxable) Provided to all staff that have completed 20-29 years' service on retirement.	A gift or voucher chosen by the employee up to the value of £150 (tax-free) A framed certificate of long service A framed group/team photo
30	£150 cash (taxable) Provided to all staff that have completed 30+ years' service on retirement.	<ul style="list-style-type: none"> ▪ A gift chosen by the employee up to the value of £150 (tax-free) ▪ A framed certificate of long service ▪ A framed group/team photo

Financial implications

6. Under the old scheme, we made payments of £4,225.66 over the three-year period April 2006 to March 2009. This annualises to just over **£1,300 per annum**.
7. The table below sets out the number of members of staff who would be eligible for an award over the next three years, excluding those who are due to retire before they reach their anniversary.

Year	Number of staff achieving 20-year milestone	Number of staff achieving 30-year milestone	Maximum cost to Waverley
2010/11	2	1	£510
2011/12	11	2	£2210
2012/13	10	1	£1870
3-year total	23	4	£4590

8. Further savings against our expected financial exposure would also be made whenever staff opted for vouchers, rather than a specific present. It would be possible for us to purchase these through our existing contract with Flexi-vouchers. This would allow us to purchase vouchers on behalf of employees at an average discount of 5%-7%.

Impact on staff who have already achieved 20 or 30 yrs service

9. There are a number of staff who have already achieved 20 + years service and it is proposed they be provided with one-off awards to reward 20 or 30 years service. The financial implications of making 20 year long service awards retrospectively would be £7,500 and 30-year long-service awards would be £1,870; a total of £9,370. This one-off cost could be met from the over achievement of the vacancy factor in 2009/10.

Recommendation

It is recommended that

1. the revised long service award scheme be adopted; and
2. retrospective payments be made to staff with 20+ and 30+ service funded from the over achievement of the vacancy factor in 2009/10.

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