

## HARROW COUNCIL PAY POLICY STATEMENT 2013/14

Harrow Council supports openness and accountability and is pleased to publish its Pay Policy Statement for 2013/14. In compliance with the Localism Act 2011 this statement outlines the Council's policy on pay and benefits for Council employees (excluding Schools)<sup>1</sup> and specifically for its senior management for 2013/14.

### Context

The context for the Council's Pay Policy is the Council's Strategy for People<sup>2</sup> [http://www.harrow.gov.uk/downloads/file/11213/strategy\\_for\\_people](http://www.harrow.gov.uk/downloads/file/11213/strategy_for_people).

The significant change experienced in recent years will continue in the foreseeable future and will be felt by all Council staff, regardless of level or role. Delivery models will continue to be developed, which will affect individual members of staff as we see more services delivered with partners, by private, public or third sector providers and through shared services.

The scale of the challenges facing the Council requires that our workforce and that of our partners is suitably skilled and motivated. At the time of writing this statement the Council is in the process of drafting its new Strategy for People which, when completed, will be published on the Council's website.

The Council's new Strategy for People 2013-2016 will set out the Council's strategy to ensure this collective workforce is able to meet those challenges and deliver against the priorities set out in this plan.

The new Strategy will therefore remain focused on ensuring our workforce has the capability, competence and confidence to deliver quality services to our community and builds on the foundations of our previous Strategy to achieve this through:

- Recruiting and retaining the **Right People**
- Who have the **Right Skills**
- Working on the **Right Things**
- And are supported to work in the **Right Way and Motivation**
- To support the **Council's Vision**.

The Council seeks to reduce income inequality and ensure that the pay, terms and conditions of Council employees comply with the Council's duties under the Equality Act. The Council recognises that a significant proportion of the workforce lives locally<sup>3</sup> and that therefore its pay policy helps support a strong local economy.

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<sup>1</sup> The Pay Accountability provisions of the Localism Act 2011 do not apply to staff employed in Schools

<sup>2</sup> The Council's current Strategy for People 2010-12 was agreed by Cabinet in March 2010 a new Strategy is being developed for 2013-16

<sup>3</sup> 60% of employees have a permanent address with a Harrow (HA) postcode

## Modernising Terms & Conditions Review 2011/12

In 2011/12 the Council undertook a review of pay and terms and conditions for employees. The objectives of the review, which were agreed by Cabinet, were to:

- Modernise: to support the future needs of the Council.
- Simplify: wherever possible, to make terms and conditions easier to understand and reduce administration.
- Reduce cost: to reduce the costs of terms and conditions of employment as part of its plan to make savings over the next 3 years.
- Give greater choice: to continue to have core terms and conditions but to provide each individual with an element of choice beyond that.

The modernising review was completed in 2012 and the Council reached a collective agreement with the relevant recognised trade unions, which introduced changes to the pay, terms and conditions of all employees covered by this Pay Policy Statement, including those of senior management, from January 2013.

The collective agreement is published at [http://www.harrow.gov.uk/downloads/file/13003/collective\\_agreement-novemeber\\_2012](http://www.harrow.gov.uk/downloads/file/13003/collective_agreement-novemeber_2012)

The changes introduced through the collective agreement are in accordance with the Council's Pay Policy Statement 2012/13 and include the following key provisions:

- 2.5% pay cut for the Chief Executive and Corporate Directors
- 1% pay cut for staff earning £21,375 and above
- Revised grading structure so that the Council's lowest paid employees are paid not less than the London Living Wage.<sup>4</sup>
- A pilot scheme making incremental pay progression subject to performance
- No enhancements for overtime or weekend working except for Bank Holidays and night work
- Reduced redundancy compensation payments
- Improved salary sacrifice schemes and other employee benefits

### Council Pay Rates / Scales

The Council considers it important to be able to locally determine pay rates. This enables it to respond to regional and local labour market conditions. The Council benchmarks its pay rates with other London Boroughs to ensure that it is able to recruit and retain qualified and competent employees.

The following Council pay scales were revised by the Council in January 2013 as a result of the modernising review:

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<sup>4</sup> London Living Wage is set periodically by the Mayor of London and rose to £8.55 per hour in November 2012.

- Harrow pay scale
- Senior Professional & Managerial pay scale
- Chief Officer pay scales
- Chief Executive pay scale

The Council also revised the pay scales for employees who are Education Psychologists (Soulbury), Nursery Nurses and Youth & Community Workers.

The January 2012 pay scales are published at [http://www.harrow.gov.uk/downloads/download/3321/harrow\\_pay\\_scale](http://www.harrow.gov.uk/downloads/download/3321/harrow_pay_scale)

### **Remuneration of Senior Management (Chief Officers)**

The Council defines its senior management as the top 3 tiers in the management structure commencing with the Chief Executive (Tier 1), Corporate Directors (Tier 2) and Divisional Directors (Tier 3), this includes all statutory and non-statutory Chief Officer and Deputy Chief Officer jobs.

A revised senior management structure<sup>5</sup> was implemented during 2012 and appointments have been made to all posts in the new structure.

The current senior management structure including employee salaries, names, job descriptions, responsibilities, budgets and numbers of staff is published at [http://www.harrow.gov.uk/info/200026/council\\_departments/2172/harrow\\_council\\_organisation\\_and\\_managers/2](http://www.harrow.gov.uk/info/200026/council_departments/2172/harrow_council_organisation_and_managers/2)

[http://www.harrow.gov.uk/downloads/download/2623/harrow\\_council\\_senior\\_managers\\_salaries](http://www.harrow.gov.uk/downloads/download/2623/harrow_council_senior_managers_salaries)

The Council's policy is to minimise the senior management pay bill. The Chief Executive is the only officer whose salary is greater than £150,000 and the pay rates and numbers of senior managers reduced in 2012/13. Further reductions in the number of senior managers are planned.

The Council publishes details of the payments made to senior managers at [http://www.harrow.gov.uk/downloads/file/11582/senior\\_manager\\_salaries\\_2012-13](http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13)

The Council may, in exceptional circumstances, employ senior managers under contracts for services. The Council publishes details of all payments made under contracts for services in excess of £500 at: [http://www.harrow.gov.uk/info/200110/council\\_budgets\\_and\\_spending/2226/council\\_spending](http://www.harrow.gov.uk/info/200110/council_budgets_and_spending/2226/council_spending)

### **Remuneration of Lowest Paid Employees**

The Council defines its lowest paid employees as those paid at the lowest pay spine column point on the lowest Harrow pay grade, excluding trainees and apprentices. This changed as a result of the modernising review and is now spinal column point 5 of grade 1 on the Harrow pay scale. This means the Council's lowest paid employees are paid not less than the London Living Wage.

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<sup>5</sup> A revised senior management structure was agreed by Cabinet in December 2011

## **Pay Multiple**

The 'pay multiple' is the ratio between the highest paid salary and the median average salary of the Council's workforce. The Council's highest paid employee is the Chief Executive and the current pay multiple is published at [http://www.harrow.gov.uk/downloads/file/11582/senior\\_manager\\_salaries\\_2012-13](http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13)

## **Pay Grading**

In 2004 the Council entered into a single status agreement with its recognised trade union, introducing common job evaluation schemes<sup>6</sup> and pay scales for the Council's former manual workers, administrative, professional, technical and clerical employees with the exception of Education Psychologists, Nursery Nurses, Youth & Community Workers, Chief Officers and the Chief Executive.

In 2007 job evaluation was extended to include Chief Officers.

## **Pay on Appointment**

All employees, including Chief Officers are normally appointed on the lowest pay spine column point for their job evaluated grade. In exceptional circumstances employees may be appointed at a higher point.

The Council delegates authority to the Chief Officer Employment Panel to make recommendations to Council on the appointment of the Head of Paid Service and to make appointments of Chief Officers in accordance with the Council's Pay Policy.

## **Pay Progression**

All employees are able to incrementally progress through the pay spine column points for their job evaluated grade.

Progression will normally be one increment (pay spine column point) on the 1<sup>st</sup> of April each year until they reach the top of their grade.

Progression for Chief Officers is subject to the following qualifications:

- i. increments may be accelerated within a Chief Officer's scale at the discretion of the council on the grounds of special merit or ability.
- ii. an increment may be withheld following an adverse report on a Chief Officer (subject to that Chief Officer's right of appeal). Any increment withheld may be paid subsequently if the Chief Officer's services become satisfactory.

The criteria for pay progression for other staff was changed as a result of the modernising review so that progression for all staff is now subject to satisfactory performance.

## **Performance Related Pay**

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<sup>6</sup> The Greater London Provincial Council (GLPC) Scheme is used for all Harrow grade jobs and the Hay Scheme for senior professional and managerial jobs

Council employees including the Chief Executive and Chief Officers do not currently receive performance related payments or bonuses.

The Council operates a Reward and Recognition Scheme for employees who, subject to meeting the criteria of the scheme, may receive payments of £250 or £500. Details of Reward and Recognition payments to senior management are published at

[http://www.harrow.gov.uk/downloads/file/11582/senior\\_manager\\_salaries\\_2012-13](http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13)

## **National / Regional Pay Agreements**

The Council supports the national (JNC/NJC<sup>7</sup>) and regional (GLPC) collective bargaining arrangements for pay and conditions of service and the pay scales for all employees, including the Chief Executive and Chief Officers, are increased in line with national and regional pay agreements.

The last pay agreement increasing pay for the Chief Executive and Chief Officers was implemented in 2008/9.

The last pay agreement increasing pay for all other non-teaching employees was implemented in 2009/10.

## **Market Supplements**

The Council may apply market supplement payments to jobs with recruitment or retention difficulties. Details of market supplement payments to senior management are published at

[http://www.harrow.gov.uk/downloads/file/11582/senior\\_manager\\_salaries\\_2012-13](http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13)

## **Fees for Election Duties**

The Council's policy for payment of fees for election duties is published at [http://www.harrow.gov.uk/info/687/elections\\_information/2560/election\\_fees\\_and\\_charges](http://www.harrow.gov.uk/info/687/elections_information/2560/election_fees_and_charges)

Details of fees for election duties paid to senior management are published at [http://www.harrow.gov.uk/downloads/file/11582/senior\\_manager\\_salaries\\_2012-13](http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13)

## **Pension**

All employees are able to join the Local Government Pension Scheme and receive benefits in accordance with the provisions of that Scheme as applied by the Council. Details of the Council's policy and decisions in respect of discretionary elements of the Scheme are published at

[http://www.harrow.gov.uk/downloads/download/3317/pension\\_fund\\_statement](http://www.harrow.gov.uk/downloads/download/3317/pension_fund_statement)

## **Other Terms and Conditions of Employment**

The pay, terms and conditions of council employees are set out in employee handbooks. Handbooks are produced for all employees, including managers and senior professionals, Chief Officers and the Chief Executive and the latest editions are published at

[http://www.harrow.gov.uk/downloads/download/3343/employee\\_handbooks](http://www.harrow.gov.uk/downloads/download/3343/employee_handbooks)

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<sup>7</sup> Joint Negotiating Committee / National Joint Council

## **Payments on Termination of Employment**

In the event that the Council terminates the employment of an employee on the grounds of redundancy or efficiency of the service they will be entitled to receive compensation and benefits in accordance with the Council's Redundancy and Early Retirement schemes, which are published at:

[http://www.harrow.gov.uk/downloads/download/3343/employee\\_handbooks](http://www.harrow.gov.uk/downloads/download/3343/employee_handbooks)

[http://www.harrow.gov.uk/downloads/download/3306/early\\_retirement\\_scheme](http://www.harrow.gov.uk/downloads/download/3306/early_retirement_scheme)

The Council's Redundancy scheme was changed as a result of the modernising review and compensation payments to employees will reduce from 2014.

Details of redundancy compensation payments paid to senior management are published at

[http://www.harrow.gov.uk/downloads/file/11582/senior\\_manager\\_salaries\\_2012-13](http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13)

## **Re-employment of Employees**

Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be made on merit.

## **Further Information**

For further information on the Council's pay policy please contact the Council's Human Resources & Development Service email [StaffBenefits@harrow.gov.uk](mailto:StaffBenefits@harrow.gov.uk) DD 0208 424 1110