

HARROW COUNCIL PAY POLICY STATEMENT 2014/15

Harrow Council supports openness and accountability and is pleased to publish its Pay Policy Statement for 2014/15. In compliance with the Localism Act 2011 this statement outlines the Council's policy on pay and benefits for Council employees (excluding Schools)¹ and specifically for its senior management for 2014/15.

Context

The context for the Council's Pay Policy is the Council's Workforce Strategy²
http://www.harrow.gov.uk/downloads/file/11213/strategy_for_people

The Council's vision is: 'Cleaner, Safer, Fairer'. The Council's Pay Policy contributes to the delivery of the Council's 'Fairer' priority in the context of pay by ensuring that robust processes are in place to determine the grading and pay for all jobs and for monitoring against social identity through the Council's Annual Equalities in Employment monitoring report.

The financial challenges facing the Council continue in the foreseeable future and the change that will take place to address that 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 there is the potential for more services to be delivered with partners through shared services or by private, public or third sector providers. .

The scale of the challenges facing the Council requires that our workforce and that of our partners is suitably skilled and motivated. A Workforce Strategy for 2014-2018 has been developed and this will be published on the Council's website.

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**
- With the **Right Motivation**

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 locally³ and that therefore its pay policy helps support a strong local economy.

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

² The Council's Workforce Strategy for 2014-2018 was agreed by the Portfolio Holder for Communications, Performance and Resources in February 2014

³ 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

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.⁴
- A pilot scheme making incremental pay progression subject to satisfactory 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.

⁴ London Living Wage is set periodically by the Mayor of London and is implemented from 1 April. The rate rose to £8.80 per hour in November 2013, which will be implemented from 1 April 2014.

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

- Harrow pay scale
- Senior Professional & Managerial pay scale
- Chief Officer pay scales⁵
- Chief Executive pay scale

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

A National pay agreement increasing the pay scales for Harrow employees except Chief Officers and the Chief Executive by 1% was implemented in April 2013. The Educational Psychologists and Youth and Community Workers pay award was implemented in September 2013.

The current pay scales are set out at Appendix 1 and published at:

http://www.harrow.gov.uk/downloads/download/3321/harrow_pay_scale

Remuneration of Senior Management (Chief Officers)

In October 2013, the Leader commenced consultation on proposals to delete the post of Chief Executive. This was agreed by Cabinet in January 2014 and the Chief Executive will leave the Council's employment on 28 February 2014. Interim arrangements to cover the statutory duties of the Head of Paid Service will be put in place until after the local government elections in May 2014, at which point a decision will be taken on the permanent arrangements.

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

The senior management structure is published at: Appendix 2

http://www.harrow.gov.uk/info/200026/council_departments/2172/harrow_council_organisation_and_managers/2

Senior management pay is set out at Appendix 3 and published at:

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 pay rates and numbers of senior managers reduced in 2012/13 and the post of Chief Executive was deleted in January 2014.

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

⁵ In April 2013 the Council took over specific public health functions from the NHS and was required to appoint a statutory Chief Officer post of Director of Public Health. The current post holder is paid on NHS pay scales.

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. The Council's lowest paid employees are paid not less than the London Living Wage.

Pay Multiple

The 'pay multiple' is the ratio between the highest paid employee's pay and the median average pay of the Council's workforce. The Council's highest paid employee is the Head of Paid Service⁶ and the current pay multiple is set out at Appendix 3 and published at:

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 schemes⁷ 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.

From April 2013 the Council took over specific public health functions from the NHS and staff who transferred from the NHS to the Council remain on NHS grades and pay scales. New posts are being recruited to on the local government grades and pay scales.

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 within the evaluated grade.

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 make appointments of Chief Officers in accordance with the Council's Pay Policy.

The Council's delegations to the Chief Officer Employment Panel also include determination of any remuneration package of £100,000 or greater

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 1st of April each year until they reach the top of their grade.

⁶ Until 28 Feb 2014, the statutory role of Head of Paid Service was undertaken by the former Chief Executive and from 1 Mar 2014 is being undertaken on an interim basis by the Corporate Director Community, Health & Wellbeing.

⁷ The Greater London Provincial Council (GLPC) Scheme is used for all Harrow grade jobs and the Hay Scheme for senior professional and managerial jobs

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

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 set out at Appendix 2 and published at: http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13:

National / Regional Pay Agreements

The Council supports the national (JNC/NJC⁸ and Soulbury) 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. Some conditions of service are negotiated locally.

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 2013/14.

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 set out at Appendix 2 and published at: 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

Details of fees for election duties paid to senior management are set out at Appendix 3 and published at: http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13

⁸ Joint Negotiating Committee / National Joint Council

Other Payments

The Head of Paid Service may authorise other payments as necessary, in accordance with the Council's delegations.

Details of any other payments to senior management are set out at Appendix 3 and published at: 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

From April 2013 the Council took over specific public health functions from the NHS and staff who transferred from the NHS to the Council continue to be members of the NHS Pension Scheme and receive benefits in accordance with the provisions of that Scheme.

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

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 and 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.

The Council's delegations to the Chief Officer Employment Panel include determination of any payments on termination of £100,000 or greater.

Details of compensation payments paid to senior management are set out at Appendix 3 and published at: http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13

Severance payments of £100,000 or greater are also reported to full Council

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 DD 0208 424 1110

