

HARROW COUNCIL PAY POLICY STATEMENT 2014/15 (Revised)

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 Council's vision is: 'Working Together to Make a Difference for Harrow'

The scale of the challenges facing the Council requires that our workforce and that of our partners is suitably skilled and motivated. Our Workforce Strategy for 2014-2018 is currently being reviewed but will remain focused on 'Working Together' and continuing to build the people maturity of the Council; developing the organisational capability to meet our changing future needs.

The financial challenge facing the Council will continue in the foreseeable future and the changes 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 revised Workforce Strategy will reflect that the Council of the future may be very different in three years time and having the right people *engaged* with the Council will be vital for its future success. We already compete for people across London and this will increase as the needs of the organisation change and the search for talent in local government increases.

We will establish the people we want, the skills they need and the performance we require and develop recruitment and retention packages that maximise our employment offer. The Council's Pay Policy contributes to this by ensuring that fair and transparent processes are in place to determine the grading and pay for all jobs and that remuneration packages enable the attraction and retention of people with the skills we need.

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 locally² and that therefore its pay policy helps support a strong local economy.

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

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

² Circa 60% of employees have a permanent address with a Harrow (HA) postcode

- 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://harrowhub/download/5449/collective_agreement-1_november_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.³
- 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.

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 scales⁴
- Chief Executive pay scale

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

³ 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.

⁴ 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.

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://harrowhub/download/6259/salary_scales_april_2013_with_pay_award

Remuneration of Senior Management (Chief Officers)

In January 2014, Cabinet agreed to delete the post of Chief Executive. Interim arrangements to cover the statutory duties of the Head of Paid Service were put in place until after the local government elections in May 2014, following which the Leader commenced consultation on options for the Council's permanent arrangements. Approximately two thirds of respondents to the consultation expressed a preference for the re-appointment of a Chief Executive and on 18 September 2014, Cabinet agreed to re-instate the post of Chief Executive in the Council's management structure.

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 Directors (Tier 3), this includes all statutory and non-statutory Chief Officer and Deputy Chief Officer posts.

The senior management structure is set out at Appendix 2 and published at:

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: [Senior manager salaries - Further info | Harrow Council](#)

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 vacant post of Chief Executive was advertised on a salary less than the previous Chief executive received.

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/100004/council_and_democracy/555/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. 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 post is the Chief Executive and the current pay multiple⁵ is set out at Appendix 3 and published at:

http://www.harrow.gov.uk/download/downloads/id/495/senior_manager_salaries_2011-2012

⁵ The current pay multiple is based on the previous Chief Executive's salary and is expected to reduce when a new Chief Executive is appointed.

Pay Grading

In 2004 the Council entered into a single status agreement with its recognised trade union, introducing common job evaluation schemes⁶ 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.

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 were 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.

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

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/download/downloads/id/495/senior_manager_salaries_2011-2012

National / Regional Pay Agreements

The Council supports the national (JNC/NJC⁷ 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/download/downloads/id/495/senior_manager_salaries_2011-2012

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/election_information/689/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/download/downloads/id/495/senior_manager_salaries_2011-2012

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/download/downloads/id/495/senior_manager_salaries_2011-2012

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/download/downloads/id/5338/discretionary_policy_statement-pensions_2014

⁷ Joint Negotiating Committee / National Joint Council

http://www.harrow.gov.uk/download/downloads/id/2545/pension_fund_accounts_2012-2013

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/1016/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/1016/employee_handbooks and http://www.harrow.gov.uk/download/downloads/id/5338/discretionary_policy_statement-pensions_2014

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 delegates authority to the Chief Officer Employment Panel⁸ 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/download/downloads/id/495/senior_manager_salaries_2011-2012
http://www.harrow.gov.uk/downloads/file/5342/protocol_for_managing_organisational_change

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

⁸ This assumes that Council on 13 November 2014 agree that the delegation of determination of any payments on termination of £100,000 or greater, transfers from the Pension Fund Committee to the Chief Officers' Employment Panel.