

## HARROW COUNCIL PAY POLICY STATEMENT 2018/19

Harrow Council supports openness and accountability and is pleased to publish its Pay Policy Statement for 2018/19. 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 2018/19.

### Update January 2018:

The pay policy statement for 2018/19 was agreed by Cabinet in February 2018. The changes reflected in this 2018/19 pay policy statement are listed below:

- The London Living Wage has increased to £10.20ph and will be implemented in April 2018
- The number of directly employed staff living within a Harrow postcode is 41%.
- Harrow Council Staff awards were re-launched in December 2016, details provided
- Update to links embedded in the document to further information

### Context

The Council's vision is: 'Working Together to Make a Difference for Harrow' and the Workforce Strategy is focused on supporting delivery of the Council's vision and priorities by ensuring an efficient and effective organisation. To achieve this we need a commercially minded and agile workforce delivering higher productivity and increased performance at a lower cost base.

This Organisational Development (OD) Strategy and programme is designed to accelerate the organisational change needed to deliver our ambition by delivering culture and behaviour change programmes, engaging colleagues and developing leaders. It will also help drive up workforce performance and productivity.

We want to be a modern and efficient Council, able to meet the challenges ahead. In order to help protect frontline services we will continue to deliver support functions in the most cost effective way, improving working between services within the Council and continuing to collaborate with regional bodies and other local authorities on shared services and procurement opportunities. We will protect people and Council assets from risks and retain our customer services in Harrow where possible, modernising and simplifying the access channels to the Council, making more services available online and therefore accessible on a more '24/7' basis.

Our Workforce Strategy reflects that the Council of the future may be very different and having the right people *engaged* with the Council will be vital for our 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. Our Pay Policy supports 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. We will also look to create opportunities for staff to benefit through organisational change.

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

As a Council we are committed to ensuring equality and diversity is integral to everything we do so our Pay Policy 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 our workforce lives locally<sup>2</sup> and that therefore our 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 and in 2012 the Council reached a collective agreement with the relevant recognised trade unions, which established new pay and terms and conditions for all employees covered by this Pay Policy, including those of senior management, from January 2013.

The collective agreement is published at:

[http://www.harrow.gov.uk/downloads/file/5879/collective\\_agreement](http://www.harrow.gov.uk/downloads/file/5879/collective_agreement)

The changes introduced through the collective agreement were 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.
- A 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 Council's pay scales were revised by the Council in January 2013 and they are subject to any pay awards agreed through the relevant national and regional negotiating bodies. A provisional pay settlement has been agreed on the 2017 figures. The final figures will be updated once the pay settlement for April 2018 has been finalised. The pay scales will be revised and are published at:

[http://www.harrow.gov.uk/download/downloads/id/9354/salary\\_scales\\_april\\_2016](http://www.harrow.gov.uk/download/downloads/id/9354/salary_scales_april_2016)

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

The senior management structure is published at:

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<sup>2</sup> Circa 41% of employees have a permanent address with a Harrow postcode according to data held on personal employee files on SAP payroll system

[http://www.harrow.gov.uk/download/downloads/id/9355/senior\\_management\\_structure](http://www.harrow.gov.uk/download/downloads/id/9355/senior_management_structure)

Senior management pay is published at: [Senior manager salaries - Further info | Harrow Council](#)

The Council's policy is to optimise the senior management pay bill. The pay rates and numbers of senior managers reduced in 2012/13 and following the Council's decision to reinstate the post of Chief Executive in 2014, an appointment was made on a salary less than the previous Chief Executive received. The new Chief Executive undertook a review of the Council's senior management structure in 2015 and implemented a revised senior management structure, reducing further the numbers of senior managers and the senior management pay bill.

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](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 pay multiple is published at:

[http://www.harrow.gov.uk/info/200031/data\\_protection\\_and\\_freedom\\_of\\_information\\_foi/1216/local\\_authorities\\_data\\_transparency](http://www.harrow.gov.uk/info/200031/data_protection_and_freedom_of_information_foi/1216/local_authorities_data_transparency)

### **Pay Grading**

In 2004 the Council entered into a single status agreement with its recognised trade union, introducing common job evaluation schemes<sup>3</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.

From April 2013 the Council took over specific public health functions from the NHS and staff whom 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.

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<sup>3</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.

## **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 Officers' 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 Officers' Employment Panel also include, determination of any remuneration package of £100,000 or greater. Remuneration packages of £100,000 or greater are also reported to full Council.

## **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 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. However, the Council recognises that this may need to change to reflect the need for a more commercially minded and agile workforce delivering higher productivity and increased performance. The Council will therefore keep under review the option to introduce performance related pay for individuals and /or groups of employees.

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:

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

In December 2016 the Council relaunched the staff awards to celebrate the successes of our workforce. The scheme allows staff to celebrate their colleagues, nominating them for recognition against our strategic ambition plan and our values. The nominations went to a judging panel consisting of staff, the staff Making A Difference Group, managers and a corporate director. Representatives were from across the organisation. The winners were awarded with a £250 payment, all of which were funded from donations of our partner organisations.

## National / Regional Pay Agreements

The Council supports the national (JNC/NJC<sup>4</sup> 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 scales for the Chief Executive and Chief Officers was implemented in April 2017; an increase of 1% was awarded.

The most recent pay agreement increasing pay scales for other non-teaching employees was implemented in April 2017; an increase of 1% was awarded.

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

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

## Pension

All employees are auto enrolled into the Local Government Pension Scheme and employees who remain in the Scheme 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](http://www.harrow.gov.uk/download/downloads/id/5338/discretionary_policy_statement-pensions_2014) and

[http://www.harrow.gov.uk/download/downloads/id/7063/pension\\_fund\\_final\\_account\\_2014 - 2015](http://www.harrow.gov.uk/download/downloads/id/7063/pension_fund_final_account_2014_-_2015)

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

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<sup>4</sup> Joint Negotiating Committee / National Joint Council

## **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](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, including a Chief Officer, 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](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](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 reduced in 2014 and 2015.

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

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

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

Further information on the scheme is published here

[http://www.harrow.gov.uk/downloads/file/5881/red\\_payments\\_agreed](http://www.harrow.gov.uk/downloads/file/5881/red_payments_agreed)

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 & Organisational Development Service by email to HR