

## HARROW COUNCIL PAY POLICY STATEMENT 2012/13

Harrow Council supports openness and accountability and is pleased to publish its Pay Policy Statement for 2012/13. 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 2012/13.

### Context

The context for the Council's Pay Policy is the Council's current Strategy for People<sup>2</sup> [\[LINK\]](#). This Strategy, designed around a framework developed by the Improvement & Development Agency, sets out the steps in our journey in developing the performance and capability of our workforce.

The Strategy identifies, in a straightforward way, the elements required for improving organisational productivity ensuring our people management and development activities are focussed on delivering the Right People with the Right skills and Right Motivation.

The Strategy sets the following objectives for employee reward:

- Staff benefits are highly valued, demonstrate modern practices and offer employees choice
- The 'Reward package', in its entirety, encourages motivated employees who are willing to go the 'extra mile' and develop their performance

The Council seeks to ensure that the pay, terms and conditions of Council employees comply with the Council's duties under the Equality Act.

### Modernising Terms & Conditions Review 2011/12

At the time of writing this statement the Council is in the process of reviewing pay, terms and conditions for employees.

The Council's Pay Policy is embodied by the objectives of the review which were agreed by Cabinet as being 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.

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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

The review is considering changes to the pay, terms and conditions of all employees covered by this Pay Policy Statement, including those of senior management. The review is also considering whether the Council's lowest paid employees<sup>3</sup> should not be paid less than the London Living Wage.<sup>4</sup>

The Council's Executive will consider and implement any changes to the pay, terms and conditions of Council employees in accordance with this Pay Policy Statement. An Equality Impact Assessment will be undertaken on the changes and published at [\[LINK\]](#)

It is anticipated that some changes will take effect in 2012/13. All published data will be updated as and when any changes are implemented.

### **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 have been locally agreed by the Council:

- Harrow pay scale – established in 2004 as part of the Council's single status agreement and based on the GLPC<sup>5</sup> 'Outer London' pay scale
- Senior Professional & Managerial pay scale – reviewed with advice from Hay<sup>6</sup> in 2007 as part of the Council's Organisational Review
- Chief Officer pay scales - reviewed with advice from Hay in 2007 as part of the Council's Organisational Review
- Chief Executive pay scale – reviewed in 2006 prior to recruiting the current Chief Executive

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

These pay scales may be subject to change as part of the modernising pay review. The 2011/12 versions of the pay scales are published at [\[LINK\]](#)

### **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.

The current senior management structure including employee salaries, names, job descriptions, responsibilities, budgets and numbers of staff is published at [\[LINK\]](#)

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<sup>3</sup> Lowest paid employees are those paid at the lowest pay spine column point on Harrow pay scales excluding trainee and apprentice pay rates. This is currently H grade 1, spinal column point 4 equating to £14697 per annum or £7.83 per hour

<sup>4</sup> London Living Wage is set periodically by the Mayor of London and is currently £8.30 per hour.

<sup>5</sup> Greater London Provincial Council - the London region joint negotiating body

<sup>6</sup> Hay management consultancy specialise in pay and grading

The Council's policy is to reduce the senior management pay bill.

A revised senior management structure<sup>7</sup> has been agreed and is currently in the process of being implemented, the published data will be updated as appointments are made to the new structure.

The Council publishes details of the payments made to senior managers at [\[LINK\]](#)

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 [\[LINK\]](#)

### **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 is currently spinal column point 4 of grade 1 on the Harrow pay scale.

The lowest pay spine column point may be subject to change as part of the modernising pay review.

### **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 [\[LINK\]](#)

### **Pay Grading**

In 2004 the Council entered into a single status agreement with its recognised trade union, introducing common job evaluation schemes<sup>8</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.

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<sup>7</sup> A revised senior management structure was agreed by Cabinet in December 2011

<sup>8</sup> The GLPC Scheme is used for all Harrow grade jobs and the Hay Scheme for senior professional and managerial jobs

## 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 may be subject to change as part of the modernising pay review.

## Performance Related Pay

Council employees including the Chief Executive and Chief Officers do not currently receive performance related payments or bonuses. As part of its modernising pay review the Council is considering changes to pay progression and linking pay to contribution.

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 [\[LINK\]](#)

## National / Regional Pay Agreements

The Council supports the national (JNC/NJC<sup>9</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 [\[LINK\]](#)

## Fees for Election Duties

The Council's policy for payment of fees for election duties is published at [\[LINK\]](#)

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<sup>9</sup> Joint Negotiating Committee / National Joint Council

Details of fees for election duties paid to senior management are published at [\[LINK\]](#)

## **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 [\[LINK\]](#)

## **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 [\[LINK\]](#)

The pay, terms and conditions of council employees may be subject to change as part of the modernising pay review.

## **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 [\[LINK\]](#)

Details of redundancy compensation payments paid to senior management are published at [\[LINK\]](#)

The Council's Redundancy and Early Retirement schemes may be subject to change as part of the modernising pay review.

## **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