



# Modernising Harrow Council

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**PROTECTION**  
 MOBILITY TIME OFF MODERNISE  
**OVERTIME PAY**  
**WORKING**  
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MODERNISE  
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Consulting on Changes to  
Terms and Conditions of Employment

April 2012



# Modernising Harrow Council



Dear colleague,

This consultation document offers you the opportunity to have your say on the proposed changes to your terms and conditions of employment. As you go through the details you will find you are presented with two choices; modernisation of your terms and conditions or a basic salary reduction of 2.5%.

Our preferred choice is modernisation which allows us, as a Council, to make our vision for the future a reality.

We want the Council to be fit for purpose for the 21st Century. A modern council that develops you to your full potential, which performs well, has better career opportunities and offers our workforce greater choice and flexibility in their working arrangements, allowing for an improved balance between work and home life. This could mean, where appropriate, working from home, at a partner site or even from a neighbouring council.

With Cabinet's recent adoption of Mobile and Flexible working arrangements, we will have the technology to make this a reality.

However, given our financial position, we are also reviewing our terms and conditions to save money. As you will be aware, every council in the country faces significant financial challenges. A combination of reduced Government grant and budgetary pressures has meant the Council must reduce its controllable budget by 30% by 2015 – this equates to £62 million. We've already made massive savings but we still have more to make.

This means that some of you will be affected by our proposals to reduce the rates for overtime and weekend working and for car allowances. We also recognise that some of you will not benefit as much from flexible working arrangements because you need to be at work at certain hours. However, we hope you will benefit from other proposals in the consultation such as increased leave allowance or being able to access an extended range of discounts from local suppliers and companies.



The proposals also include:

- A 2.5% basic pay cut for the Chief Executive and Corporate Directors.
- Directors and Heads of Service on SPM1 and above to forego up to 2.5% of any pay award for three years.
- A compensation package for individuals who experience a reduction in contractual pay of more than 2.5%.

The options in the modernising proposals to reduce costs will save the Council £1million but give you flexibility, choice and opportunity. The alternative basic pay reduction of 2.5% will save £2.5million, but does not allow us to modernise our terms and conditions in the way we would like.

We believe we are unique in our approach to this area in that many councils have merely sought to reduce costs by across the board reductions in basic pay.

We would like to know which of the proposals (modernising or a basic pay reduction) you prefer. It is also your opportunity to comment on our proposals. We can assure you nothing has been decided yet and your views will count, so please take the opportunity to let us know what you think by attending one of the staff consultation meetings detailed in section 2.



*Bill Stephenson*

*Michael Lockwood*

**Cllr Bill Stephenson,  
Leader of the Council**

**Michael Lockwood,  
Chief Executive**



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# 1.0 Introduction



Harrow Council will need to be a very different organisation in the future.


A Council that is even more innovative and ambitious in the way we deliver services and works even better with our community.

To become this organisation we need to develop new skills and also change our current way of working.

This must be achieved whilst coping with the toughest financial climate for local government in years, and the challenge that further budget reductions still need to be made.

## To support this;

- i. Our Corporate Learning and Development Programme, recently relaunched for 2012/13 which is accessible on the intranet and website; and
- ii. Our review of terms and conditions of employment is designed to make us more suited to:
  - Remote, mobile and flexible work patterns.
  - Flexible approaches to work, to open up jobs and roles to more people so that they can also benefit from being in work.
  - The diverse needs of the people who work for us, fitting our needs with yours so that you have a balanced work and home life.
  - Capturing the use of technology to enable you to work from home or other places; and
  - Providing our services seven days a week.



To do this we want to consult you on our ideas for change to achieve our vision. We would like you to provide us with your views and advice on our proposals.

As you read and consider these proposals you will see that not everyone wins. Part of the reason why we are reviewing terms and conditions is to make savings, but we have tried to ensure they are sensible and help us to achieve the following aims:

- Supporting the Council's future needs – **modernising**.
- Making **simpler** those processes or terms and conditions that have become complex.
- Improved **choice** for you as individuals so that you can decide what is best for you and your working life.
- Rewarding people in the future for performance.

In this document you are asked to consider a choice between two options. The first produces savings of £1 million but gives you flexibility, choice and opportunity. The second saves a lot more, £2.5 million but does not allow us to modernise our terms and conditions in the way we would like.

The country is changing, central government is changing, local government is changing and so must we. We are committed to listening to you, giving you a voice and making the right choice.

Please take the time to make up your own mind on what we are proposing, recognising that this will help to determine the Council of the future.

# 2.0 Your Feedback



Our initial consultation with staff on these proposals will be carried out over the next four weeks and will end on 14th May 2012. During this time we will be holding a series of meetings where you can find out more about the review and our proposals, and more importantly give us your advice and feedback. Please do take the opportunity to come along and ask any questions that you may have and to share your views.

## The dates and times for these meetings are:

| April  | May  |
|--|--|
| <ul style="list-style-type: none"><li>• 16th April 2012 in the Members' Lounge, at the Civic Centre, 9:30-11:30am</li><li>• 18th April 2012 in Room 212, at the Teachers' Centre, 10am-12pm</li><li>• 19th April 2012 at the Depot, 12-2pm</li><li>• 23rd April 2012 in the Members' Lounge, at the Civic Centre, 9:30-11:30am</li><li>• 25th April 2012 at the Depot, 11am-1pm</li><li>• 27th April 2012 in Room 212, at the Teachers' Centres, 10am-12pm</li><li>• 30th April 2012 in the Members' Lounge, at the Civic Centre, 9:30-11:30am</li></ul> | <ul style="list-style-type: none"><li>• 2nd May 2012 at the Depot, 12-2pm</li><li>• 2nd May 2012 – evening consultation in the Members' Lounge, at the Civic Centre, 6:30-8:30pm</li><li>• 4th May 2012 in Room 212, at the Teachers' Centre, 10am-12pm</li><li>• 8th May 2012 in the Hall, at the Teachers' Centre, 10am-12pm</li><li>• 9th May 2012 in the Members' Lounge, at the Civic Centre, 9:30-11:30am</li><li>• 10th May 2012 at the Depot, 11am-1pm</li></ul> |

Additionally, meetings are being arranged with schools.

At the same time we will also carry out consultation with GMB and Unison.

Your views will inform the formal 90 days statutory consultation with the trade unions which will commence on the 13th April 2012. At the end of the consultation period, we will review the feedback you provide us and amend our proposals where possible. We will keep you informed when a decision is made by the Council on how to proceed.

Throughout this process you can access information and raise questions in a number of ways and provide your views and feedback:

- By emailing [staffbenefits@harrow.gov.uk](mailto:staffbenefits@harrow.gov.uk).
- By calling the Terms and Conditions Hotline on 020 8416 8211 between 9am-5pm.
- By visiting the Council's intranet site.
- By visiting the Council's website pages, set up specifically for this exercise at:  
**[http://www.harrow.gov.uk/info/200026/council\\_departments/2551/modernising\\_terms\\_and\\_conditions\\_of\\_employment](http://www.harrow.gov.uk/info/200026/council_departments/2551/modernising_terms_and_conditions_of_employment)** The password to access these pages is **february**.

You are encouraged to respond to this consultation and should do so by 14th May 2012, by returning the consultation questionnaire in the return envelope to:

Terms and Conditions, Harrow Council, Civic Centre, Station Road, Harrow, Middlesex, HA1 2XY.

# 3.0 Summary of the Proposals



## 3.1 The Modernisation Proposal – Summary

This proposal contains a range of options to modernise terms and conditions of employment. Together they meet the Council’s objectives for this review. The options are summarised below:

|   |   |
|---|---|
| <p><b>Working Arrangements, Time Off and Payments</b></p> | <p><b>Improved flexibility in working arrangements (para 4.1.1)</b></p> <ul style="list-style-type: none"> <li>Review working arrangements to offer greater choice and flexibility.</li> </ul> <p><b>Removal of enhancements for overtime and weekend working (para 4.1.2)</b></p> <ul style="list-style-type: none"> <li>Pay basic hourly rate for overtime and the time worked at weekends</li> <li>Night work enhancements are unaffected.</li> </ul> <p><b>Annual leave entitlement (para 4.1.3)</b></p> <ul style="list-style-type: none"> <li>Increase basic entitlement from 23 to 24 days.</li> <li>Increase current entitlement of 28 days after five years service to 29 days.</li> </ul> <p><b>Sick pay and industrial injury pay entitlement (para 4.1.4)</b></p> <ul style="list-style-type: none"> <li>Reduce the current maximum of six months on full pay and six months on half pay to four months on full pay and four months on half pay.</li> </ul> |
| <p><b>Basic Salaries and Salary Progression</b></p>       | <p><b>Grading structure and salary progression (para 4.2)</b></p> <ul style="list-style-type: none"> <li>Introduce a revised grading structure which removes some of the overlaps between grades and provides more evenly spaced incremental progression.</li> <li>Increase the minimum salary paid to staff to meet the London Living Wage.</li> <li>Apply a 2.5% basic pay reduction to the Chief Executive and Corporate Directors.</li> <li>Directors and Heads of Service (on SPM1 and above) to forego up to 2.5% of any pay award for three years from 1st April 2012.</li> <li>Incremental salary progression to apply within a grade only to those who are performing satisfactorily.</li> </ul>   |
| <p><b>Mobility</b></p>                                    | <p><b>Car Allowances (para 4.3)</b></p> <ul style="list-style-type: none"> <li>Modify the Essential Car User Scheme by halving the lump sum allowance and applying the Inland Revenue rates for car mileage claims.</li> <li>Reviewing the Essential Car User Scheme criteria for eligibility for the scheme and applying them consistently.</li> <li>Modify the Casual Car User mileage rates by applying the Inland Revenue rates for mileage claims.</li> <li>Retain the current 9p per mile lease car scheme rate for the life of the current lease car scheme.</li> </ul>  |





## Other Changes

### Harmonise Standby Rates (para 4.4.1)

- Introduce a Standby rate based on the frequency of standby.

### Redundancy Pay (para 4.4.2)

- Introduce a redundancy payment scheme using the statutory table with enhancement for calculating payments.

### Pay Protection (para 4.4.3)

- Modify pay protection arrangements to one year's full pay protection on contractual pay.

### Total Reward for Salary Sacrifice Arrangements (para 4.4.4)

- Introduce a Total Reward online system giving access to a range of salary sacrifice schemes, national and local discounts and total reward statements (a summary of the value of all your benefits).

### Compensation Payments for Contractual Loss (para 4.4.5)

- Introduce a compensation scheme for those staff that will experience a reduction in contractual pay of more than 2.5% through the Terms and Conditions changes.

## 3.2 The Alternative Proposal – Summary

An alternative to the Modernisation proposal is that all staff above H2 (i.e. on £17,484 p.a. basic salary and above) receive a basic pay reduction of 2.5%.

## 3.3 Other Proposals

There are a range of changes that the Council would want to put in place at the same time as either the modernisation or alternative proposals are implemented. Some of these measures are to standardise the wording of contracts which varies across the workforce dependent on when staff started with the Council; others are to implement changes already agreed by the Council.

- Standardising terms for pay in lieu of notice when you leave the Council's employ.
- Standardising terms for days and times of the week worked.
- Standardising and updating location of work base to support more flexible working arrangements.
- Implementing contractual employment policies and procedures.
- Altering our expenses policy so staff are not allowed to claim for parking expenses at what is their nominated and agreed work base.

# 4.0 Modernisation Proposal



## 4.1 Working Arrangements, Time Off and Payments

### 4.1.1 Improved Flexibility in Working Arrangements

As it becomes easier to access your work remotely, and mobile access to systems is extended, staff will not be restricted to a place of work. Depending on your job and the service, you may be able to work at any Council owned building, at a partner organisation, at home, in neighbouring council offices, or indeed anywhere there is an internet connection.

To support this we are investing in Information Technology to develop mobile and flexible working. This will enable staff to complete their work from many locations. It will also improve customer service by saving time and removing the need to complete documents in written form or by travelling back to a Council building to input information into the system.

Subject to the needs of the service, this flexibility also enables improved working arrangements. If you are able to work at home, your preferred time of working may be on a different day of the week or at a time of the day that is not the usual '9am to 5pm'.

We want to implement this approach to work for non school staff by 1st April 2014 and sooner if we can.

#### The Proposal

Subject to meeting the needs of each service, by 1st April 2014, each service will review working arrangements to:

- (a) Consider whether there is potential for improved service delivery by an extended or alternative period of service availability.
- (b) Consult staff on their preferences for working arrangements and location.
- (c) Decide whether an arrangement can be reached to meet staff aspirations for more flexibility in working arrangements and the needs of the service.
- (d) Consult all those affected by any potential change in order to come to an acceptable arrangement to the service and those affected.

Any change in current working arrangements will be subject to:

- The outcomes required from staff being delivered when needed.
- There being no detrimental impact on current or future service delivery.

NB: There is no change to the basic working week of 36 hours.

### Examples of working arrangements could include:

- Fixed hours with limited scope for change.
- Fixed hours, but with greater scope for change and flexibility, determined locally.
- Flexitime scheme with start and finish times modified to 7am to 9pm and both the length and timing of core times agreed within each service.
- Core times agreed, but remaining hours of work based on individual choice (e.g. a full-time worker who has caring commitments, leaves work at 3pm to collect dependents and works later in the evening, at home, or at the weekend in order to deliver the outcomes expected of them).
- No requirement for core times, all hours are subject to individual choice. However, the outcomes expected must be delivered; commitments to attend meetings during the day and evening are met; and there is no detrimental impact on service delivery.
- The opportunity to work any five days out of seven by agreement.
- Annualised hours, i.e. longer hours of work agreed where there is a greater volume of work and less hours of work agreed when the volume is reduced.

Some critical services have access to systems and servers on a 24 hour, 365 day service. However, for the majority, access is limited to 6:30am to 12:00am (midnight). There are also restrictions around how long you can work in a week and how long you can work without a break under the Working Time Regulations and these will need to be considered for each change that is made.

### Modern

- In many cases, though not all, the time at which work is undertaken becomes less important than the work that is completed.
- This is a more modern approach than the traditional '9am to 5pm' and it enables the Council to:
  - Offer greater flexibility in its working arrangements.
  - Promote weekends as potential working days, as part of the normal working week.
  - Consider potential future extension of service delivery at weekends without additional employment costs.

### Choice

- Meets the aspirations of staff for more flexibility in working arrangements, for example:
  - I'd like to be able to start work at 10:30am and work slightly later.
  - I'd like to start work before 8am and be able to record the time in the flexitime scheme.
  - I'd like to be able to work Sundays rather than Mondays, as that suits me better.
  - I'd like to have acknowledgement that the time I spend on a Sunday morning completing a report can be considered as part of my working week.
- Recognises that Harrow has a diverse community with a very wide variety of religions. For many, Friday or Saturday is a religious day, not Sunday. This proposal offers the potential opportunity for a working week that meets those needs.

#### 4.1.2 Removal of Enhancements for Overtime and Weekend Working

Removal of all enhancements for overtime working and for weekend working would be effective from 1st November 2012.

##### **The Proposal**

Removal of all enhancements for overtime working and for weekend working. Payment for this time worked will be at unenhanced rates.

Night work enhancements are unaffected at time-and-a-third for time worked between 8pm and 6am.

##### **Modern**

- Many organisations do not pay enhanced rates for Saturday and Sunday working.
- Extends the view of weekends as potential working days, as part of the normal working week.
- Leads to the potential future extension of service delivery at weekends without the additional cost of enhancements.
- Leads to the potential to create new jobs.
- Recognises that the Council delivers many services on a seven day a week basis.

##### **Simpler**

- No need to calculate:
  - Different rates depending on whether staff have worked above or below 40 hours per week.
  - Different rates depending on the day of the week.

##### **Reduces Costs**

- Enhancements would not apply, except for night work which is paid at time-and-a-third.

#### 4.1.3 Annual Leave Entitlement

This would be effective from 1st April 2013.

##### **The Proposal**

An additional one day's basic leave, taking the total from 23 to 24 days, and an additional one day after five year's service, taking the total from 28 to 29 days.

Additional leave for long service with Harrow beyond 10 year's service is unaffected and would continue to apply.

##### **Modern**

- Brings Harrow in line with the general level of annual leave offered in the public sector.
- Provides improved work/life balance opportunities for staff.

##### **Choice**

- A greater leave entitlement.

##### **Reduces Costs**

- There is a marginal increase in cost.
- A greater leave entitlement reduces the time staff are at work and there may be a need to provide cover for the additional time when staff are on leave.

#### 4.1.4 Sick Pay and Industrial Injury Pay Entitlement

This would be effective from 1st April 2013.

##### **The Proposal**

Reduce the current entitlement for both Sick Pay and Industrial Injury Pay from a maximum of six months on full pay and six months on half pay to four months on full pay and four months on half pay.

- During first year of service, one month's full pay and (after completing four months' service) two months' half pay entitlement.
- During second year of service, two months' full pay and two months' half pay entitlement.
- During third year of service, four months' full pay and four months' half pay entitlement.

The Council will retain the discretion to extend sick pay entitlement in exceptional circumstances.

##### **Modern**

- Many councils, including other London Boroughs, are reviewing this entitlement.
- A reduced level of entitlement will encourage and potentially facilitate the earlier return to work of those who are absent on sick leave.
- Research has shown that staff who are either mentally or physically unwell, recover more quickly when they return to work; and that the longer someone is absent on sick leave, the less likely they are to return.

##### **Reduces Costs**

- It does not directly reduce cost.
- However, it would reduce the additional cost to the Council of any temporary arrangements to cover for those who are absent.

## 4.2 Grading Structure and Salary Progression

The Council has a locally agreed grading structure based on the Greater London Provincial Council (GLPC) salary points. The bottom four salary points in the H1 grade currently pay above the national minimum wage for adults (£6.08 per hour), but below the London Living Wage as set by the Mayor of London (£8.30 per hour).

These changes would be effective from 1st April 2013.

### The Proposal

- Remove the bottom four points from the H1 grade (spinal column points 4 to 7), and move those who are on these points to spinal column point 8. This would ensure that no one would be paid below the current London Living Wage. For those on spinal column point 4, this would bring the full-time equivalent salary from £14,697 to £15,615 p.a. and equates to a 6.25% pay increase.
- Ensure a minimum of four incremental points for each grade.
- Ensure increments have more even monetary values within each grade.
- To reduce the basic salaries for the Chief Executive and Corporate Directors by 2.5%.
- For Divisional Directors and senior Heads of Service on SPM1 and above to forego up to 2.5% of any pay award in the three years from 1st April 2012. This means that these staff will receive no pay rises until the total sum of pay rises awarded exceeds 2.5%.
- Salary progression will only apply to those who satisfactorily perform:
  - The ambition of the Council is that staff should progress through the salary points for their grade on an annual basis unless they have not reached a satisfactory performance standard. Satisfactory performance would mean that an employee was no longer subject to a warning under the procedures or being formally monitored under them. Managers will be asked, each year, to identify those who have been formally subject to capability or conduct procedures or are being monitored under them.
  - If performance reaches a satisfactory level during the year, such that the procedure no longer applies, then salary progression to the next increment, (subject to the maximum of the grade), would apply from that point only, e.g. it would not be backdated, and will remain at that level through to March and for a further 12 months beyond that.

The current and proposed grading structure is shown at Appendix A illustrating how it is proposed that staff move from the current to the proposed structure. Importantly, there will be no reductions in current basic salary (except for the Chief Executive and Corporate Directors), but it may mean that any incremental increase in your April 2013 salary may be less or, indeed, more than you would have expected in the current grading structure.

### Modern

- A more logical and rational grading structure than using the GLPC spinal column points without modification.
- Would ensure the Council keeps pace with the current London Living Wage.
- Senior Management Pay – this is not modernising but is considered to be appropriate in the context of the other changes that will reduce costs.
- Salary progression is currently automatic. If you perform well, your salary increases as it does for a person who is not performing well. Ensuring that only those who are satisfactorily performing will receive an increase in salary is a fairer and more equitable approach to progression.

### Reduces Costs

- Overall, this proposal increases costs.

## 4.3 Mobility – Car Allowances

The proposals set out below would be implemented on 1st November 2012.

### The Proposal

- Essential Car User scheme – new lump sum payment to be half the current rates.
- For both Essential Car Users and Casual Users, apply the HMRC (Inland Revenue) mileage rates.
- The current HMRC rates are 45p per mile up to 10,000 miles per annum and 25p per mile for any miles above this limit.
- Tax is paid by employees on the difference between HMRC mileage rates and what is currently paid to them. Under this proposal, the tax liability would no longer apply to employees.
- Review the criteria for eligibility to the Essential Car User scheme to ensure that only those who must use their own car for business use are eligible for the scheme. The criteria will be developed with staff and then applied consistently.
- Explore the introduction of pool cars as an alternative.

The current 9p per mile mileage rate will continue to apply to lease car users for the life of the current lease car scheme.

### Modern

- The majority of London Boroughs do not apply the Essential Car User scheme. Those that do, apply the HMRC rates and have reduced the lump sum payment.
- The typical additional cost of insuring a vehicle to cover use on Council work is around £250 p.a., significantly less than the current allowances.
- Many councils and other organisations apply the HMRC rates to mileage.

### Simpler

- Simplified mileage claim rates in line with HMRC rates.
- Reduces reporting requirements for HMRC.

### Reduces Costs

- Lump sum payments and mileage rates are reduced.

## 4.4 Other Changes

### 4.4.1 Harmonising Standby Rates

Currently there are 10 different payments made for standby and a range of different periods of standby, e.g. on standby for 8, 12 or 24 hours. For some staff, standby arrangements are in place for a week at a time.

The most common standby arrangement in place across the Council is for one full week on standby out of four.

We would like to harmonise these rates from 1st November 2012.

#### The Proposal

Annual payments, a twelfth of which will be payable monthly.

- One week in two - £ 2,000
- One week in three - £ 1,333
- One week in four - £ 1,000
- One week in six - £ 667
- One week in eight - £ 500

Major incident response arrangements are unchanged.

#### Modern

- Harmonises different rates of payment.
- Designed around the most common form of standby arrangement in the Council.

#### Simpler

- More easily understood by all.
- Assists managers in understanding the costs when designing or redesigning standby arrangements.
- Single table used for calculating payments.

#### Reduces Costs

- There is no overall change in costs.
- Some staff will receive an increase in payments; some will see a decrease in their payments.



#### 4.4.2 Redundancy Pay

The Council currently applies the best of either the Council's 66 week table or the 30 week statutory table and also pays five weeks at actual weekly pay for those aged 50 and over, who have more than one but less than two years' service.

##### The Proposal

The statutory table only is to be used from 1st April 2014.

From 1st April 2014, an enhancement to be used on the following basis:

- 2 x actual weekly pay using the statutory table (1st April 2014).
- 1.5 x actual weekly pay using the statutory table (1st April 2015).

The weekly pay used in the calculation will be your actual weekly pay and will not be capped at the statutory pay rate of £430 per week.

##### Modern

- Aligns with the Equality Act by removing the local age related benefits.
- Currently the Council has one of the most expensive redundancy schemes in London.
- The private sector 'mostly' use the statutory 30 week table as the norm without any enhancement to weekly pay.
- The Council's proposal will bring the scheme in line with many other London Boroughs which use the statutory table.

##### Simpler

- One table to work from to calculate redundancy payments.
- No additional payments.

##### Reduces Costs

- Reduction of redundancy payments and removal of enhancements. These are future costs and do not deliver savings currently.

#### 4.4.3 Pay Protection

The Council currently applies pay protection on a three year reducing basis. The proposal below would be effective from 1st November 2012.

##### The Proposal

- Apply full pay protection of contractual pay for one year only.

##### Modern

- It is anticipated that there will be further organisational change, which will create a greater need to seek redeployment to available positions in the coming years for those at risk of redundancy. The current pay protection arrangements, extending over a long period, can act as a deterrent to redeployment, i.e. the additional costs are required to be borne at a time when posts are deleted in order to reduce costs.
- The current pay protection arrangements prolong inequality between staff who receive pay protection, (whether through redeployment or following the downgrading of a post in a job evaluation review) and other staff undertaking the same work.

##### Simpler

- The proposal is easier to understand and administer than the current arrangements.

##### Reduces Costs

- Pay protection costs less.

#### 4.4.4 Total Reward and Salary Sacrifice

A total reward scheme is one that allows us to draw together a range of benefits for staff and to present them in a way which allows you to (a) understand the full range of benefits available to you; and (b) offer you some choice on the benefits that apply. In particular, salary sacrifice schemes can give you tax and national insurance savings, and access to national and local discounts.

The Council currently has two salary sacrifice schemes in place – Childcare Vouchers and Cycle to Work. There will be a wider range of salary sacrifice schemes available to all staff (excepting teaching staff where the Inland Revenue rules do not allow for other schemes to apply). These vary between scheme providers but could include lease cars, travel to work, mobile phones and work-based training.

This arrangement would be effective from 1st April 2013.

##### **The Proposal**

Procure a Total Reward system supplier offering online salary sacrifice schemes, personalised statements of total reward and negotiated discounts with local and national suppliers of goods and services.

##### **Modern**

- Introduction of an online, self-service, portal. You can clearly see what is available to you and what savings and benefits you could access.
- A wider range of salary sacrifice schemes are made available.
- Access to national and local discounts.

##### **Simpler**

- Single place to go to view and choose benefits.
- Reduces the administration of the schemes by using a single provider rather than a range of companies for individual salary sacrifice schemes.

##### **Choice**

- It provides a significantly expanded range of benefits.

##### **Reduces Costs**

- The scheme must be self-financing.

Please note there are some circumstances where staff do not make savings, i.e. if you decide to buy childcare vouchers through the Council's scheme but are also in receipt of child tax credits, you may lose your tax credits. You would need, therefore, to consider carefully whether you continue with the credits rather than take up childcare vouchers.

#### 4.4.5 Compensation Payments for Contractual Loss

To compensate staff who are adversely affected by the modernising proposals set out above. We are proposing to make a one-off compensation payment payable in November 2012.

##### **The Proposal**

A one-off compensation payment for contractual loss is proposed based on the impact on individual contractual entitlements including:

- Overtime and weekend enhancements where there is a contractual requirement to work overtime or a contractual requirement to work at weekends.
- Essential Car User Scheme where this is stated in your employment contract and where your job requires you to provide a vehicle for use in the course of your duties.
- Standby payments where this is a contractual requirement set out in your employment contract.

No compensation is payable in other circumstances.

No compensation will be payable if the loss you experience is 2.5% or less of your total contractual pay based on one year's salary. Similarly, no compensation is payable for the first 2.5% of loss. For example, if the contractual loss you experience is 4% of your total contractual pay, you would receive a compensation payment of 1.5% (4% less 2.5%) of your total contractual pay.

Compensation payments will only be payable where you accept the change to your employment contract.

##### **Modern**

- It is accepted that this option is not modernising, nor does it meet the remaining objectives for the exercise. The Council could elect to implement the proposed changes without any compensation payments. However, a one-off payment is believed to be a fairer approach and costs would be contained within one year.

# 5.0 Basic Pay Reduction of 2.5%



An alternative to the modernising proposals is that all staff on a full-time equivalent salary of £17,484 p.a. and above experience a reduction in their basic pay of 2.5% on 1st November 2012. The reduction would apply to the basic pay rate, so would also affect overtime and other payments calculated from basic pay rates.

We have considered carefully what the size of the proposed reduction should be. It should not be so low that the Council does not make sufficient savings and is required to consider further job losses than it might otherwise have to make. It should also not be so high as to not offer a realistic alternative to the modernising proposals.

Many councils have applied across the board wage cuts to their employees. Shropshire County Council have implemented a pay reduction of 5.4% and Doncaster Council a pay reduction of 4% amongst many others.

Your views on a 2.5% basic pay reduction are therefore sought.

This is presented to you for your views and advice. Compensation payments would not apply to this proposal.

## Modern

- This is not a modernising option.
- This does not introduce the London Living Wage.
- This does not enable access to better work-life balance.
- This does not ensure that salary progression through increments are applied on a fair basis.
- This does not enable us to look at 'total reward' for staff.

## Simpler

- It is simple to implement.
- It is easily understood – we all lose.
- It does not simplify as the modernising proposals would do.

## Choice

- This limits choice and prevents the Council seeking to modernise ways of working.
- There would be no increase in leave entitlement.

## Reduces Costs

- This proposal reduces costs by approximately £2.5m.



# 6.0 Other Proposals

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These are measures we are proposing to take, regardless of whether the Council modernises terms and conditions or implements a salary reduction. They address circumstances where, over time, changes to employment contracts have been made and the contracts for those who started later than others are likely to be different.

These proposals are therefore about establishing a common, single employment contract for all staff.

Your views on these proposals, for implementation on 1st November 2012, are therefore also sought.

## 6.1 Pay In Lieu of Notice

When an employee or the Council gives notice of terminating employment, in some circumstances the Council would wish to pay an employee in lieu of that notice.

The Council therefore proposes that it will be able to pay an employee in lieu of the notice they or the Council have to give.

## 6.2 Hours of Work

The number of hours of work you are contracted to will be unchanged by any of the proposals. However, some contracts state that you are required to work Monday to Friday. Other contracts do not specify which days of the week you work.

The Council proposes to make clearer that the pattern of working is ordinarily Monday to Friday (dependent on the job and the service you are employed in). However, it reserves the right, in consultation with you and the recognised trade unions, to vary this pattern if the needs of the service so require.

## 6.3 Work Base

Some employment contracts give a fixed work base and others require that you work anywhere within Harrow.

The Council proposes to make clearer that, dependent on your job and the service you are employed in, there may be a requirement to work at any location within the Borough of Harrow, on occasions at home, in neighbouring council offices, or anywhere where there is an internet connection. The Council will reserve the right to modify your work base, reasonably, in consultation with you.



## 6.4 Employment Policies and Procedures

In 2010, the Council decided that the contractual status of employment policies and procedures should be changed. It decided that our employment policies, including rights and obligations, should be contractual. However, it decided that guidance should not be contractual, e.g. guidance to managers on how to carry out investigations under the conduct or dignity at work procedures.

This decision was made after an unsuccessful period of negotiation with GMB and Unison on how best to implement this approach.

The consequence is that the current Conduct, Dignity at Work and Capability policies are fully non-contractual. The remaining employment procedures are fully contractual.

The Council therefore proposes to implement the decision that employment policies are contractual but guidance and toolkits are non-contractual.

## 6.5 Expenses Policy

The Expenses Policy currently allows staff to claim for parking charges necessarily incurred in the course of their work. The policy is intended to reimburse staff who have to pay to park their vehicles whilst travelling to visit sites in the course of their work. It is not intended that staff are able to claim for parking charges incurred at their agreed work base.

The Council proposes to make clearer that staff will not be able to claim for parking charges incurred in attending their agreed work base.

# 7.0 In Summary



We face a hard choice. What we are doing is balancing the needs of all members of staff with the need to make savings and the opportunity to build a Council for the future. This is a view supported by the Leader of the Council, the Portfolio Holder, the Chief Executive and his wider senior management group.

*“To protect our frontline services and jobs, we need to explore every avenue for savings – property, procurement, spending control and improved efficiency, are all areas in which we are seeking to reduce costs and curb spending. Regrettably, our paybill is one of our highest costs and we must look for ways to reduce those costs also. However, in doing so, we want to take a balanced approach – ensuring that all staff are paid at least at the London Living Wage and proposing an increase in annual leave entitlement are examples of this modern approach.”*

**Cllr Bill Stephenson, Leader of the Council**

*“To protect the frontline services our residents rely on in a time of shrinking resources, we are carrying out a top-to-bottom overhaul of the way the Council is run.*

*While other councils have cut pay across the board, we want to give our staff a choice and see how improved terms and conditions may allow people to better balance their work and personal lives. These modernising proposals would reduce pay for the top earners but ensure every Council employee receives at least the London Living Wage. By removing the 9 to 5, Monday to Friday culture, they would also ensure we have a more modern and efficient workforce, that can provide services when our residents need them most.”*

**Cllr Graham Henson, Portfolio Holder**

*“I do not want us to take the ‘smash and grab’ approach that other councils have taken – that’s not modernising. We have an opportunity to be smarter than that.”*

**Michael Lockwood, Chief Executive**

Through consultation we will listen to your concerns and act on them where possible.

Please take the opportunity to attend our consultation meetings to put forward your views and send in your response to the consultation.

# Appendix A – Current and Proposed Grading Structure



## PROPOSED NEW GRADING STRUCTURE INCLUDING YOUR TRANSITION FROM THE CURRENT TO THE PROPOSED GRADING STRUCTURE (effective 1st April 2013)

Under the proposed grading structure, if you are due an increment after 1st April 2013, you will move to the new spinal column point and salary shown under the Proposed Transition column, from that date.

If you are due an increment after 1st April 2013, you will remain on your current salary then move to the new spinal column point and salary from the date your next increment is due. Thereafter, you will progress through any remaining increments on the new grade, subject to satisfactory performance, and subject to not exceeding the maximum of the grade.

If you work part-time hours, your salary will be pro-rata to the number of hours that you work.

| Current structure<br>Salary at 31st March 2013 |                           |                    | Proposed transition<br>(but see notes above) | Proposed structure<br>Salary at 1st April 2013<br>(including increment where due on that date) |                           |                    |
|--|---------------------------|--------------------|--|--|---------------------------|--------------------|
| Grade Name                                     | Spinal Column Point (scp) | Salary (full-time) |  | Grade Name   | Spinal Column Point (scp) | Salary (full-time) |
| H1   | 4                         | 14,697             | H1, scp 1                                    |  |                           |                    |
|  | 5                         | 14,814             | H1, scp 1                                    |  |                           |                    |
|  | 6                         | 14,940             | H1, scp 1                                    |  |                           |                    |
|  | 7                         | 15,216             | H1, scp 1                                    |  |                           |                    |
|  | 8                         | 15,615             | H1, scp 2                                    | P1   | 1                         | 15,615             |
|  | 9                         | 16,005             | H1, scp 3                                    |  | 2                         | 15,919             |
|  | 10                        | 16,290             | H1, scp 4                                    |  | 3                         | 16,299             |
|  | 11                        | 16,482             | H1, scp 4                                    |  | 4                         | 16,482             |
| H2   | 10                        | 16,290             | H2, scp 6                                    | P2   | 5                         | 16,290             |
|  | 11                        | 16,482             | H2, scp 7                                    |  | 6                         | 16,545             |
|  | 12                        | 16,794             | H2, scp 8                                    |  | 7                         | 16,867             |
|  | 13                        | 17,196             | H2, scp 8                                    |  | 8                         | 17,196             |
| H3   | 14                        | 17,484             | H3, scp 10                                   | P3   | 9                         | 17,484             |
|  | 15                        | 17,808             | H3, scp 11                                   |  | 10                        | 17,876             |
|  | 16                        | 18,195             | H3, scp 12                                   |  | 11                        | 18,225             |
|  | 17                        | 18,582             | H3, scp 12                                   |  | 12                        | 18,582             |





|      |    |        |             |     |    |        |
|------|----|--------|-------------|-----|----|--------|
| H4   | 18 | 18,915 | H4, scp 14  | P4  | 13 | 18,915 |
|      | 19 | 19,563 | H4, scp 15  |     | 14 | 19,696 |
|      | 20 | 20,205 | H4, scp 16  |     | 15 | 20,278 |
|      | 21 | 20,877 | H4, scp 16  |     | 16 | 20,877 |
| H5   | 22 | 21,375 | H5, scp 18  | P5  | 17 | 21,375 |
|      | 23 | 21,951 | H5, scp 19  |     | 18 | 21,951 |
|      | 24 | 22,608 | H5, scp 20  |     | 19 | 22,608 |
|      | 25 | 23,277 | H5, scp 20  |     | 20 | 23,277 |
| H6   | 26 | 23,970 | H6, scp 22  | P6  | 21 | 23,970 |
|      | 27 | 24,711 | H6, scp 23  |     | 22 | 24,455 |
|      | 28 | 25,455 | H6, scp 24  |     | 23 | 24,950 |
|      |    |        |             |     | 24 | 25,455 |
| H7   | 29 | 26,400 | H7, scp 26  | P7  | 25 | 26,076 |
|      | 30 | 27,225 | H7, scp 27  |     | 26 | 26,712 |
|      | 31 | 28,032 | H7, scp 28  |     | 27 | 27,364 |
|      |    |        |             |     | 28 | 28,032 |
| H8   | 32 | 28,800 | H8, scp 30  | P8  | 29 | 28,800 |
|      | 33 | 29,601 | H8, scp 31  |     | 30 | 29,321 |
|      | 34 | 30,390 | H8, scp 32  |     | 31 | 29,850 |
|      |    |        |             |     | 32 | 30,390 |
| H9   | 35 | 30,987 | H9, scp 34  | P9  | 33 | 30,987 |
|      | 36 | 31,761 | H9, scp 35  |     | 34 | 31,761 |
|      | 37 | 32,607 | H9, scp 36  |     | 35 | 32,607 |
|      | 38 | 33,510 | H9, scp 36  |     | 36 | 33,510 |
| H10  | 39 | 34,542 | H10, scp 38 | P10 | 37 | 34,376 |
|      | 40 | 35,418 | H10, scp 39 |     | 38 | 35,265 |
|      | 41 | 36,306 | H10, scp 40 |     | 39 | 36,176 |
|      | 42 | 37,179 | H10, scp 41 |     | 40 | 37,111 |
|      | 43 | 38,070 | H10, scp 41 |     | 41 | 38,070 |
| H11  | 44 | 38,961 | H11, scp 43 | P11 | 42 | 38,961 |
|      | 45 | 39,789 | H11, scp 44 |     | 43 | 39,789 |
|      | 46 | 40,716 | H11, scp 45 |     | 44 | 40,716 |
|      | 47 | 41,610 | H11, scp 45 |     | 45 | 41,610 |
| SPM5 | 1  | 42,015 | PM1, scp 2  | PM1 | 1  | 42,015 |
|      | 2  | 43,452 | PM1, scp 3  |     | 2  | 43,452 |
|      | 3  | 44,886 | PM1, scp 4  |     | 3  | 44,886 |
|      | 4  | 46,320 | PM1, scp 5  |     | 4  | 46,320 |
|      | 5  | 48,060 | PM1, scp 5  |     | 5  | 48,060 |
| SPM4 | 1  | 50,622 | PM2, scp 2  | PM2 | 1  | 50,622 |
|      | 2  | 52,059 | PM2, scp 3  |     | 2  | 52,059 |
|      | 3  | 53,496 | PM2, scp 4  |     | 3  | 53,496 |
|      | 4  | 54,933 | PM2, scp 5  |     | 4  | 54,933 |
|      | 5  | 56,367 | PM2, scp 5  |     | 5  | 56,367 |





|                    |   |         |             |     |   |         |
|--------------------|---|---------|-------------|-----|---|---------|
| SPM3               | 1 | 53,493  | PM3, scp 1  | PM3 | 1 | 57,593  |
|                    | 2 | 55,131  | PM3, scp 2  |     | 2 | 58,845  |
|                    | 3 | 56,775  | PM3, scp 3  |     | 3 | 60,124  |
|                    | 4 | 58,410  | PM3, scp 4  |     | 4 | 61,431  |
|                    | 5 | 60,057  | PM3, scp 5  |     | 5 | 62,767  |
| SPM2               | 1 | 63,333  | PM4, scp 2  | PM4 | 1 | 63,333  |
|                    | 2 | 64,971  | PM4, scp 3  |     | 2 | 65,526  |
|                    | 3 | 66,615  | PM4, scp 4  |     | 3 | 66,951  |
|                    | 4 | 68,253  | PM4, scp 5  |     | 4 | 68,407  |
|                    | 5 | 69,894  | PM4, scp 5  |     | 5 | 69,894  |
| SPM1               | 1 | 78,786  | D1, scp 2   | D1  | 1 | 78,786  |
|                    | 2 | 82,284  | D1, scp 3   |     | 2 | 82,284  |
|                    | 3 | 86,080  | D1, scp 4   |     | 3 | 86,080  |
|                    | 4 | 88,272  | D1, scp 5   |     | 4 | 88,272  |
|                    | 5 | 92,892  | D1, scp 5   |     | 5 | 92,892  |
| Director           | 1 | 101,685 | D2, scp 2   | D2  | 1 | 101,685 |
|                    | 2 | 104,739 | D2, scp 3   |     | 2 | 104,739 |
|                    | 3 | 107,883 | D2, scp 4   |     | 3 | 107,883 |
|                    | 4 | 111,120 | D2, scp 5   |     | 4 | 111,120 |
|                    | 5 | 114,468 | D2, scp 5   |     | 5 | 114,468 |
| Corporate Director | 1 | 114,468 | CD1, scp 2  | CD1 | 1 | 111,812 |
|                    | 2 | 116,535 | CD1, scp 3  |     | 2 | 113,831 |
|                    | 3 | 120,735 | CD1, scp 4  |     | 3 | 117,933 |
|                    | 4 | 122,403 | CD1, scp 4  |     | 4 | 119,563 |
|                    | 1 | 126,072 | CD2, scp 2  | CD2 | 1 | 123,147 |
|                    | 2 | 129,858 | CD2, scp 3  |     | 2 | 126,845 |
|                    | 3 | 133,653 | CD2, scp 4  |     | 3 | 130,552 |
|                    | 4 | 137,667 | CD2, scp 5  |     | 4 | 134,473 |
|                    | 5 | 141,795 | CD2, scp 5  |     | 5 | 138,505 |
| Chief Executive    | 1 | 151,602 | CEx, scp 2  | CEx | 1 | 148,084 |
|                    | 2 | 154,767 | CEx, scp 3  |     | 2 | 151,176 |
|                    | 3 | 158,010 | CEx, scp 4  |     | 3 | 154,344 |
|                    | 4 | 161,319 | CEx, scp 5  |     | 4 | 157,576 |
|                    | 5 | 164,712 | CEx, scp 6  |     | 5 | 160,890 |
|                    | 6 | 172,305 | CE x, scp 6 |     | 6 | 168,307 |







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