



Havering

L O N D O N B O R O U G H

GOVERNANCE COMMITTEE AGENDA

7.30 pm	Thursday 20 July 2017	Committee Room 3A - Town Hall
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Members 13: Quorum 5

COUNCILLORS:

Conservative Group (5)

Meg Davis (Chairman)
Melvin Wallace (Vice-Chair)
Roger Ramsey
Damian White
Osman Dervish

Residents' Group (3)

Ray Morgon
Barbara Matthews
Barry Mugglestone

East Havering Residents' Group (2)

Clarence Barrett
Darren Wise

UKIP Group 1

Lawrence Webb

Independent Residents' Group (1)

David Durant

Labour Group (1)

Keith Darvill

For information about the meeting please contact:

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AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE & SUBSTITUTE MEMBERS

(If any) - receive

3 DISCLOSURE OF INTERESTS

Members are invited to disclose any interest in any of the items on the agenda at this point of the meeting.

Members may still disclose any interest in any item at any time prior to the consideration of the matter.

4 TERMS AND CONDITIONS REVIEW - DECISION REPORT (Pages 1 - 124)

5 EXCLUSION OF THE PRESS AND PUBLIC

To consider whether the press and public should now be excluded from the remainder of the meeting on the grounds that it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the press and public were present during those items there would be disclosure to them of exempt information within the meaning of paragraph 1 of Schedule 12A to the Local Government Act 1972; and, if it is decided to exclude the public on those grounds, the Committee to resolve accordingly on the motion of the Chairman.

6 TERMS AND CONDITIONS REVIEW - DECISION REPORT (Pages 125 - 144)

Andrew Beesley
Head of Democratic Services

GOVERNANCE COMMITTEE

20 JULY 2017

Subject Heading:

**Terms and Conditions Review –
Decision Report**

SLT Lead:

**Andrew Blake-Herbert
Chief Executive**

Report Author and contact details:

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Policy context:

Havering – making a Greater London

Financial summary:

The Council's medium term financial plan includes a saving target of £0.500m in 2017/18 for the general fund in respect of the T&Cs review. This is achievable from 2018/19 onwards, however due to a combination of delayed start date and pay protection this isn't achievable in 2017/18 and will need to be funded through the Risk Reserve.

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for
People will be safe, in their homes and in the community
Residents will be proud to live in Havering



SUMMARY

The report asks the Committee to approve changes to employees' terms and conditions of employment (T&C's) and relevant implementation dates.

RECOMMENDATIONS

That the Governance Committee:

1. Delegate authority to the Chief Executive to take such actions and steps necessary for the completion and signing of a Collective Agreement with trade unions (including the actual signing of the Collective Agreement document on behalf of the Council). This to include any necessary changes to the wording of the Collective Agreement excluding any changes to the substance of the proposals themselves.
2. In the event that a Collective Agreement is signed, approve the Final (Collective Agreement) Proposals detailed at Appendix 1 and the recommended Implementation Date detailed at paragraph 42 but delegate authority to the Chief Executive to adjust that date for corporate directorates and/or Community/Voluntary Controlled schools by up to 3 months if necessary.
3. In the event that a Collective Agreement is not signed, provisionally determine the Recommended (No Collective Agreement) Proposals as set out in paragraphs 46-47 and Appendix 2 (Column C) and delegate authority to the Chief Executive to finalise those proposals (including the authority to amend the substance of the proposals that were previously subject to Collective Agreement), approve Option 5 as the method to implement the approved proposals as set out in paragraph 48 and approve the recommended Implementation Date detailed at paragraph 49 but delegate authority to the Chief Executive to adjust either or both of those dates by up to 3 months if necessary.
4. Approve the proposal to meet the one-off pay protection and other costs in Community/Voluntary Controlled schools from the Risk Reserve as detailed at paragraph 24 (Table 5).

REPORT DETAIL

Background

5. The Council has undertaken a review of the terms and conditions of employment (T&C's) of its staff (including job evaluation). The purpose of the review is to identify and replace those existing T&C's that are

inconsistent, outdated or do not assist the delivery of services. As well as creating a set of T&C's that are more fitted to the Council's business needs, the Council's medium term financial plan has an approved saving target of £0.500m to be delivered in 2017/18. The saving is to be achieved from the Council's non-schools corporate pay bill i.e. excluding the housing revenue account (HRA), dedicated schools grant (DSG) and public health budgets.

6. A Terms & Conditions Board (T&CB) was established, chaired by the Chief Executive, to direct the review. A Terms & Conditions Consultation Forum (T&CCF) was also established with trade unions to provide a forum for T&C consultation and negotiation. The T&CCF comprised the Chief Executive, Director of HR &OD and the Branch Secretaries of Unison, GMB, Unite, NUT and NASUWT.
7. A provisional set of proposals was provided to this Committee at the 31 August 2016 meeting for information. The Committee were advised that the proposals were provisional at that stage but were not expected to change significantly before the launch of employee consultation.
8. Although not required at this stage under statutory consultation requirements, an initial equality analysis was carried out on the provisional proposals prior to the start of employee consultation by an independent equalities consultant selected in conjunction with the trade unions. The main conclusions were:
 - The proposals for changes to basic pay and pay & allowances do not appear to disproportionately affect women more than men.
 - No age groups are disproportionately affected by the proposals when compared to other age groups or to the workforce as a whole.

It should be emphasised that the data set upon which the initial equality analysis was carried out has changed over time due to starters, leavers and restructures. Furthermore, since the Council's proposals have changed as a result of the consultation process, the initial equality analysis is now out of date. A second equality analysis has been carried out on an updated data set and reflecting revisions to the Council's Initial Proposals, as required under formal consultation (see paragraph 25 below).

Formal consultation and Initial Proposals

9. Formal consultation with staff on the Council's Initial Proposals commenced on 19 September 2016 for a 45 day period ending on 2 November 2016 (subsequently extended to 9th December). To launch the consultation, the Chief Executive wrote to over 4,300 employees individually across the corporate organisation and support staff in Community/Voluntary Controlled (C/VC) schools to explain the purpose of the review, set out the proposed changes in the "Proposals Booklet" and to provide details of how those changes would impact on each individual employee.

10. To support the launch of consultation, the Chief Executive led 2 large-scale briefing sessions for over 500 managers (including Head Teachers and trade union representatives). The aim of the briefing sessions was to inform managers about the rationale of the review and the key proposals so that they could then cascade that information to their staff in turn. A video was recorded of the Chief Executive presenting the main points which was made available to all corporate staff on the Council's intranet and website and used by Head Teachers to present to school staff. The information needed by staff to understand the review and the potential impact on them was available on the intranet and on the Council's website.
11. A full set of the Council's Initial Proposals (ie at the start of the consultation period) are set out at Appendix 1. The key proposals were:
 - To replace the Greater London Whitley Council (GLWC) job evaluation scheme with the Greater London Provincial Council (GLPC) scheme (which is used by the vast majority of London councils and a number outside London) and to replace the Hay job evaluation scheme with the Local Government Employers (LGE) Senior Management job evaluation scheme
 - To introduce a new grading structure, resulting in fewer and broader grades
 - To introduce Performance Based Progression
 - All existing allowances (including those set out in "Local Agreements") to cease and be replaced with the new proposals set out in the Proposals Booklet and any revisions agreed before implementation
 - To differentiate between Teaching Assistant 1 (TA1) and Teaching Assistant 2 (TA2) roles (both of which have been evaluated at proposed new Grade 2), the Council proposed to apply a new contractual TA2 allowance of £402pa pro rata for the TA2 role (Note: This proposal was first revised during the consultation process to £465pa pro rata and subsequently revised again to £687pa pro rata – both revisions were subject to a Collective Agreement being signed).
 - To apply an allowance to ensure that hourly basic pay is equal to the current London Living Wage rate. The allowance would be subject to annual rolling approval by the Full Council as part of the annual approval process of the statutory Pay Policy Statement
12. A small number of changes were made to the provisional proposals previously provided to the Committee on 31 August 2016. In summary these were:
 - To remove Salary Plusage from the T&C Review - Governance Committee subsequently approved the termination of the Salary Plusage scheme on 11 January 2017
 - At 31 August we were waiting on the trade unions to make a proposal about the rate of redundancy payments - however, this did not materialise. The Council's initial proposal at the start of consultation was

that the statutory maximum level of weekly pay (then £479) would be applied to the calculation of all redundancy payments. This would reduce the maximum total redundancy payment from £42,265 to £14,370. (This proposal was subsequently revised during the consultation process to a maximum total redundancy payment of £30,000 - subject to a Collective Agreement being signed).

13. To support the consultation process, the T&CCF have continued to meet on a regular basis to discuss relevant feedback and alternative proposals.
14. To support staff during the consultation process, over 50 “drop-in” sessions were held across the borough with approximately 450 people attending those sessions. Responses to approximately 1100 email queries from staff were provided and the project review team handled over 250 phone calls to the T&C helpline.

The majority of the queries raised related to the job evaluation appeal process and the proposed new TA2 allowance.

15. There were a number of items of feedback e-mailed to the Terms and Conditions inbox from staff during the consultation period which showed some concerns on allowances and pay protection which have helped form consultation proposals. Feedback from SLT, managers and Head Teachers also covered similar issues.
16. Throughout the statutory consultation period, staff and the trade unions submitted requests to the Council to consider alternative proposals. The main requests were:
 - To use the grading structure attached to the GLPC job evaluation scheme instead of the Council's proposed structure
 - To increase basic pay protection to three years from the initial proposal of 6 months protection - (currently basic pay is protected for 12 months)
 - That the Essential Car User Allowance be kept as it had recently been agreed (reviewed in 2014/15)
 - Extend new Grades 2/3 to include an additional spinal point to increase basic pay at the top of those grades
 - That the redundancy cap remains at the (then) current amount of £42,265
 - That the fixed enhancement/overtime rate be increased to 1.5 from the proposed 1.25
 - That the annual TA2 allowance be increased to £804 (i.e. double the proposed amount) and that it be calculated over the number of term-time weeks actually worked rather than over 52 weeks - also that an annual TA3 allowance of £402 be introduced for Teaching Assistant 3 roles
 - That the proposal to introduce performance based progression is removed until schools have a performance assessment system in place,

the Council has reviewed the corporate scheme and the trade unions have agreed both schemes

17. At the T&CCF meeting on 29 November the Council responded to the staff/trade union requests by tabling a number of revised proposals. The revised proposals are detailed in Appendix 1. **The revised proposals were made subject to a Collective Agreement being signed by the trade unions.** In order to allow staff and trade unions time to consider the revised proposals, the T&C consultation was extended by a further week to 9 December 2016. Further minor adjustments to the revised proposals were tabled at T&CCF meetings from December 2016 to February 2017 (**some of which were also made subject to a Collective Agreement being signed**) – these are also detailed in Appendix 1.
18. During the statutory consultation period, staff had the opportunity to submit an appeal against the proposed job evaluation (JE) outcome of their substantive Job Profile. The initial appeal deadline was 14th October which was subsequently extended to 31st October. This in turn led to the extension of the full formal consultation period to 9th December. There has been a total of 296 Job Profiles for which an appeal has been submitted during the consultation period and subsequently completed (238 corporate and 58 C/VC schools). Please note these numbers relate to the number of Job Profiles that were appealed – since many Job Profiles are applied to more than one employee at a time (eg the TA2 Primary Job Profile is applied to 457 employees) the number of employees affected by the appeals process would be higher). In accordance with best practice, following the completion of the JE appeals, a further round of moderation of JE evaluations was carried out jointly by the Council and the trade unions, resulting in a final set of JE outcomes agreed jointly by the Council and the trade unions. Please note that since employee consultation commenced in September 2016, we have continued to provide all new starters and all employees who have moved to a new substantive position (eg through a restructure) with the opportunity to submit an appeal against the proposed JE outcome of their substantive post. There have therefore been a small number of further post-consultation appeals.
19. Post-Consultation Proposals (ie following the statutory consultation period and completion of JE Appeals/Moderation)
20. The Council's Post-Consultation Proposals (Appendix 1) along with the agreed JE outcomes were used to carry out the final round of pay modelling to identify the pay impact of the proposals (paragraphs 23-24) and to carry out the second/final equalities analysis (paragraph 25).

At this stage, the Chair of Governors and Head Teacher of each C/VC school were provided with the detailed pay modelling information for their school showing the pay impact on each individual employee and on the school overall. Chairs of Governors and Head Teachers were offered the opportunity for a one-to-one meeting with the T&C Project Manager to

discuss and clarify any issues arising – only one Head Teacher took up this offer. All Chairs of Governors were invited to feed back any comments which would be summarised and included in this decision report to Governance Committee. Only 3 Chairs of Governors provided feedback which is summarised in Appendix 3.

21. Impact on Pay

22. The tables in paragraphs 23-24 show the estimated impact of the Council's proposals on occupied positions (ie excluding vacancies) in all of the organisation (ie corporate directorates and C/VC schools) and in the corporate directorates and C/VC schools separately, both in relation to the Initial Proposals and in relation to the Post-Consultation Proposals. Please note that the changes in impact are as a result of the combination of the revisions to the Initial Proposals, revisions to JE outcomes and the change in the workforce profile (ie starters, leavers and individuals changing substantive roles through restructures and other internal changes).

23. Impact on Pay – Individual Employees

In the tables below, employees considered:

- “Green” would see an increase in their pay
- “White” would see no change to their pay
- “Red” would see a decrease in their pay

Table 1 shows the impact of the JE and Grading Structure proposals on basic pay (ie the impact of Allowance proposals are **not** included).

Across all of the Organisation, the Post-Consultation Proposals result in 77% of employees either seeing no change in their basic pay or will see an increase in their basic pay – this is a slight improvement on the corresponding Initial Proposals figure of 76%

Table 1

Impact on Employee	All Organisation Initial Proposals	All Organisation Post-Consultation Proposals	Corporate only Initial Proposals	Corporate only Post-Consultation Proposals	Schools only Initial Proposals	Schools only Post-Consultation Proposals
Green	16.0%	11.3%	26.3%	18.8%	3.8%	1.5%
White	60.1%	65.9%	55.0%	65.7%	66.2%	66.2%
Red	23.9%	22.8%	18.7%	15.5%	30.0%	32.3%
Red but by less than £100pa	8.5%	9.6%	4.3%	5.8%	11.6%	12.1%
Red by more than 10%	2.0%	2.0%	2.5%	2.4%	1.3%	1.6%

Table 2 shows the impact on TA2 roles of the JE and Grading Structure proposals on basic pay plus the impact of the TA2 allowance (ie the impact of all other Allowance proposals are **not** included). It is important to show the impact of the TA2 allowance since this is unlike all other allowances in that it is in effect in lieu of basic pay and should be considered along with the impact on basic pay.

Although the increased amount of TA2 Allowance does not change the number of Reds, it does reduce the amount of “Redness” as shown in the increase in number of TA2s that would be Red by less than £100.

Table 2

Impact on Employee	Basic + TA2 Allowance (£402pa) Initial Proposals	Basic + TA2 Allowance (£465pa) Post-Consultation Proposals
Green	24.7%	24.7%
White	0%	0%
Red	75.3%	75.3%
Red but by less than £100pa	8.1%	16.6%
Red by more than 10%	0%	0%

Table 3 shows the impact of the JE and Grading Structure proposals on basic pay plus the impact of the proposed changes to contractual allowances. Contractual allowances are those that are included in the contract of employment (eg Shift Pay). The table does **not** include the impact of the proposed changes to non-contractual allowances (eg non-contractual Overtime).

Across all of the Organisation, the Post-Consultation Proposals result in 69.9% of employees either seeing no change in their contractual pay or will see an increase in their contractual pay – this is a slight reduction on the corresponding Initial Proposals figure of 70.3%.

Table 3

Impact on Employee	All Organisation Initial Proposals	All Organisation Post Consultation Proposals	Corporate only Initial Proposals	Corporate only Post Consultation Proposals	Schools only Initial Proposals	Schools only Post Consultation Proposals
Green	17.9%	12.9%	25.6%	17.5%	8.8%	6.8%
White	52.4%	57.0%	43.2%	52.6%	63.3%	62.8%
Red	29.7%	30.1%	31.2%	29.9%	27.9%	30.4%
Red but by less than	16.4%	23.2%	16.2%	19.5%	16.7%	28.1%

£100pa						
Red by more than 10%	3.1%	2.7%	4.5%	3.6%	1.4%	1.6%

24. Impact on Pay – Savings and Budgets

Table 4 shows the estimated pay bill cost reductions that would arise from the implementation of all of the Council's Post-Consultation Proposals.

The estimated £0.872m cost reduction to the General Fund budget would meet the budgeted savings from 2018/19, however there will be a shortfall against the saving target agreed by Council in 2017/18.

Excluding the impact of pay protection if the implementation date was the 1st September 2017 the proposals will achieve for the general fund approximately £0.509m of savings in year which is broadly in line with the saving target. However, if the date of implementation isn't until the 1st December 2017 there will be a shortfall of £0.209m as only £0.291m will be achieved. The shortfall if it arises will need to be met from the Risk Reserve..

Savings contributing to non general fund services will achieve £0.074m or £0.042m depending if the go live is the 1st September or the 1st December 2017.

It should be noted that the estimated £202k cost reduction to C/VC schools budgets is subject to individual school decisions on issues where the school retains an element of discretion (eg the number of additional/overtime hours required). Therefore C/VC school savings can not be guaranteed and are a matter for individual schools and governing bodies.

Table 4

Organisation/Budget	Cost Reduction
Corporate – General Fund Only	£872k
Corporate – All	£999k
Community/VC schools	£202k

Table 5 shows the estimated one-off costs of pay protection that would arise from the implementation of the JE and Grading Structure proposals under the Post-Consultation Proposals (Note: Currently only basic pay is protected through pay protection).

Currently pay protection is for 12 months full protection. The Council's Initial Proposal was to offer 6 months full protection. The Council's Post-Consultation Proposal is to protect pay for 9 months with 6 months full and 3 months half protection.

During the consultation process, Head Teachers had asked the Council to consider all or part of the pay protection costs that would arise in C/VC schools.

The T&CB have noted the estimated pay protection costs for C/VC schools (£206k across 40 schools) and individual school's current and projected budget/commitments and recommend that, for the financial year 2017/18, since schools have already budgeted to pay support staff salaries based on the current pay scales there would be no need to fund any of the pay protection costs that would arise in that year. However, the T&CB recommend that the Council do fund (from the Transformation Reserve) any remaining pay protection costs that arise in the 2018/19 financial year. T&CB also recommend that in exceptional circumstances any additional T&C implementation costs incurred by individual schools in 2017/18 over and above their current budget will be reviewed by the Council on a school by school basis for potential funding (wholly or partially) from the Risk Reserve.

The cost of pay protection will impact the savings delivered in 2017/18 and 2018/19. If the implementation date of the 1st September 2017 is used for the general fund, this will require one off pay protection costs of £0.377m in 2017/18 and a further £0.030m in 2018/19. Alternatively if the go live date was the 1st December 2017 this would require pay protection costs of £0.241m in 2017/18 and £0.166m in 2018/19.

The Community/Voluntary Controlled schools pay protection costs may need to be funded from the Risk Reserve in the unlikely event that the schools are unable to fund these from existing salaries budgets. The estimated maximum (based on a go live date of 1st December) would be £0.084m.

These non recurring pay protection costs will be met by the Risk Reserve

Table 5

Organisation	Pay Protection Costs
Corporate – General Fund Only	£407k
Corporate – All	£443k
Community/VC schools	£206k

Table 6 shows the estimated additional costs of all staff reaching the maximum spine point of their new proposed grade compared to all staff reaching the maximum spine point of their current grade. In practice, this situation is extremely unlikely to ever occur due to:

- The robust application of the proposed Performance Based Progression scheme
- Staff turnover ie staff are constantly leaving and being replaced by new starters (who should commence on the minimum spine point of the grade)

Table 6

Organisation	Potential Pay Progression Costs
Corporate – General Fund Only	£1,651k
Corporate – All	£1,726k
Community/VC schools	(£59k) ie a cost reduction

25. **Equalities Analysis**

As members will have been previously advised, there is a Public Sector Equality Duty (section 149 of the Equality Act) to reduce inequality between protected characteristics. A second equalities analysis was carried out on the Post-Consultation Proposals by an independent equalities consultant selected in conjunction with the trade unions and is detailed at Appendix 4. The main conclusions are:

- No one group of people with a protected characteristic is significantly adversely affected as a result of the Council's proposals
- The proposals will have a positive impact on the Gender Pay Gap (Note: the proposals move the Council to a position slightly better than the national average)

26. The equalities analysis was shared with the trade unions. The trade unions two main concerns related to:

- the impact on employees in the TA2 role (which is occupied by 455 Females and 2 Males)
- the impact of the reduction in Shift and Enhancement Allowances

27. The trade unions indicated that if the Council were to reconsider the Council's Post-Consultation Proposals in these two areas, the trade unions would be minded to ballot their members on a potential Collective Agreement.

28. In relation to the TA2 role, the trade unions initially requested that the Council re-consider the evaluated grade (Grade 2) in the context that it has been evaluated at the same grade as the TA1 role. The Council has

confirmed that the evaluated grades of both roles are correct and that the fact that they are the same is an unfortunate consequence of the move to a broader banded grading structure. Consequently the trade unions asked the Council to consider increasing the amount of the proposed TA2 Allowance to £687pa pro rata (this is based on the difference between the maximum spine point of their current grade (ie spine point 17) and the maximum spine point of the proposed grade (spine point 15). This would mean that all of the TA2s who are currently Red circles would become White circles (see updated Table 2 below). The estimated cost of this would be approximately £54k and would therefore reduce the estimated cost reduction to “Community/VC schools” shown in Table 4 above to £148k.

Updated Table 2

Impact on Employee	Basic + TA2 Allowance (£402pa) Initial Proposals	Basic + TA2 Allowance (£465pa) Post-Consultation Proposals	Basic + TA2 Allowance (£687pa) Final (Collective Agreement) Proposals
Green	24.7%	24.7%	35.1%
White	0%	0%	64.9%
Red	75.3%	75.3%	0%
Red but by less than £100	8.1%	16.6%	0%
Red by more than 10%	0%	0%	0%

29. All Head Teachers were consulted over this proposed revision and all Head Teachers that responded (18 out of 40) confirmed they would support the proposal.
30. Therefore the Council’s Post-Consultation Proposals have been further revised to increase the TA2 allowance to £687pa pro rata, subject to a Collective Agreement being signed.
31. In relation to the impact of the reduction in Shift and Enhancement Allowances, the trade unions requested that the Council considered applying a pay protection period to these allowances in order to ease the transition period to the new allowance level. The estimated cost of this would be approximately £210k and would therefore increase the one-off pay protection figure for “Corporate – All” shown in Table 5 above to £653k.
32. Given that this would improve the chances of a Collective Agreement being signed, the Council’s Post-Consultation Proposals have been further revised to protect Shift and Enhancement allowances for a period of 6 months from the T&C Implementation Date.
33. These two further revisions to proposals have been included in the Council’s Final (Collective Agreement) Proposals which are shown at Appendix 1.

34. Collective Agreement

Throughout the consultation period, the Council's aim has been to try to reach a Collective Agreement with all recognised trade unions (on behalf of all employees).

A Collective Agreement would be a formal agreement with all recognised trade unions (on behalf of all employees irrespective of whether those employees were members of a trade union or not). If all the trade unions are prepared to sign a Collective Agreement (which detailed all the T&C proposals), it would mean that the Council would be able to automatically implement those proposals (after Governance Committee approval) by simply writing to all employees with new contracts of employment (which would reflect the agreed proposals) ie there would be no need to obtain the separate agreement of each individual employee to their new contract of employment.

It is therefore in the Council's best interests to try to secure a Collective Agreement.

To achieve a Collective Agreement the trade unions would need to sign the Collective Agreement (it would not be possible to complete a Collective Agreement if any one of the trade unions did not sign). To be able to sign a Collective Agreement each trade union would need to obtain a mandate to do so from their members – normally through a ballot.

35. A draft Collective Agreement has been provided to the trade unions in order for the trade unions to determine whether or not they will ballot their members regarding a mandate to sign it. A copy of the draft Collective Agreement is detailed at Appendix 5. Please note that the draft Collective Agreement details the Council's Final (Collective Agreement) Proposals as set out at Appendix 1. Those proposals can not now be changed (if the current draft Collective Agreement is to be progressed) since to do so would most likely require further trade union ballots of their members based on a revised Collective Agreement.
36. Unison, GMB and Unite confirmed on 4th July that they would ballot their members on the Council's Final (Collective Agreement) Proposals on the basis that those proposals are the best that can be achieved through negotiation. A joint Council/Trade Union statement confirming this was issued to all staff on 5th July and is attached at Appendix 6. GMB have informed their members that a rejection of those proposals may lead to a reversion to the Council's Initial Proposals which may lead to a subsequent ballot on strike action. The NUT have confirmed that they do not currently

have any members directly affected by those proposals so would not need to carry out a ballot in order to consider signing a Collective Agreement. We are currently waiting for the NASUWT to confirm whether they have any members directly affected by those proposals and whether therefore they need to carry out a ballot in order to consider signing a Collective Agreement.

37. The results of the Unison, GMB and Unite ballots are due to be provided by the afternoon of the 20th July and will be provided to the Governance Committee at the Committee meeting that evening.
38. However, it is possible that the results of all of the trade union ballots may not be known by the time that the Committee meets on the 20th July. Therefore, the following paragraphs deal with the two scenarios where either a Collective Agreement is still possible or where a Collective Agreement is not possible.
39. *If a Collective Agreement is still possible*
40. Provided that, at the time of the Governance Committee meeting, none of the trade union ballots have resulted in a rejection of the Council's final (Collective Agreement) proposals, the Committee are asked to consider approval of the Final (Collective Agreement) Proposals as set out at Appendix 1 in order to progress to implementation in the event that all of the trade unions subsequently sign the Collective Agreement (Appendix 5).
41. To facilitate this, the Committee are also asked to consider delegating to the Chief Executive the authority to take such actions and steps necessary for the completion and signing of a Collective Agreement with trade unions (including the actual signing of the Collective Agreement document on behalf of the Council). This to include any necessary changes to the wording of the Collective Agreement excluding any changes to the substance of the proposals themselves.
42. Subject to Governance Committee approval of the Final (Collective Agreement) Proposals, should a Collective Agreement subsequently be signed, the recommended Implementation Date would be 1st September 2017 in both corporate directorates and schools. This implementation date would enable the achievement of savings on the corporate pay bill at the earliest practicable opportunity whilst at the same time enabling schools to implement the change at the start of the new school year. However, this date is extremely challenging, especially if there is any delay to the signing of the Collective Agreement immediately after the Governance Committee meeting. Also, for schools, September is the month when there are a significant number of starters/leavers and other staffing changes being

implemented. Therefore the Committee are asked to consider delegating authority to the Chief Executive to adjust the recommended Implementation Date for corporate directorates and/or C/VC schools by up to 3 months if necessary.

43. The process for implementation would involve writing to all members of staff as soon as possible after the Collective Agreement is signed to inform them:

- of the Committee's decision
- that a Collective Agreement has been signed on their behalf by the trade unions
- to detail the changes to their terms & conditions of employment
- to inform them that a new contract of employment will be sent to them in due course
- to inform them that since a Collective Agreement has been signed by the trade unions on their behalf there will be no need for them to sign and return their new contract of employment

44. *If a Collective Agreement is NOT possible*

45. If, at the time of the Governance Committee meeting:

- one or more of the trade union ballots has resulted in a rejection of the Council's Final (Collective Agreement) Proposals
- and to cover the possibility that subsequent to the Governance Committee meeting one or more of the trade unions confirm that the ballot result has resulted in a rejection of the Council's Final (Collective Agreement) Proposals
- and to cover the possible scenario that despite all ballots resulting in an acceptance of the Council's Final (Collective Agreement) Proposals one or more of the trade unions (for whatever reason) still refuse to sign a Collective Agreement

then, the Committee are asked to consider whether any of the Council's revised proposals should be withdrawn, revised further or retained. This is because most of the revised proposals have been made subject to a Collective Agreement being signed.

46. Appendix 2 sets out the Council's Initial Proposals which have been "revised subject to Collective Agreement being signed", together with a recommendation (Column C) as to whether that revision should be withdrawn, further revised or retained (but without the signed Collective Agreement condition). Please note that Appendix 2 is exempt in accordance with Section 100 (A-h) of the Local Government Act 1972 and Schedule 12A as amended, on the grounds that it involves the likely disclosure of exempt

information as defined in Part 1, paragraph 3, as it contains information relating to the financial or business affairs of any particular person (including the authority holding the information) and disclosure would not be in the public interest. The Committee are asked to consider each proposal that was previously subject to Collective Agreement in turn and provisionally determine whether it should be withdrawn, further revised or retained and delegate authority to the Chief Executive to finalise those proposals (including the authority to amend the substance of the proposals that were previously subject to Collective Agreement).

47. The Committee's provisional determination on whether to retain, further revise or withdraw of any of the revised proposals will be combined with the Council's Initial Proposals to in effect produce a set of Recommended (No Collective Agreement) Proposals (Appendix 2 Column C). The Committee are asked to consider approval of those Recommended (No Collective Agreement) Proposals in order to progress implementation in the event that no Collective Agreement is subsequently signed by the trade unions.
48. If a Collective Agreement can not be signed, the Council would have a number of different options in relation to the implementation of the Council's Recommended (No Collective Agreement) Proposals (if approved by Governance Committee). The options and a relevant comment against each are set out below:

Option 1:

The Council could withdraw all proposals and leave everything as is.

This option would not deliver the necessary savings and would leave the Council open to potential equal value claims based on a continuation of the current approach to pay and grading, particularly an old job evaluation scheme. **This option is not recommended by Officers due to the risks involved.**

Option 2

The Council could apply the proposals (through the offer of a new contract of employment reflecting the changes) only to those employees that voluntarily accept the new contract of employment.

This option would only deliver some of the necessary savings, would provide additional logistical and on-going difficulties in operating different sets of terms & conditions to different people at the same time and would leave the Council open to potential equal value claims based on a continuation of the current approach to pay and grading, particularly an old job evaluation scheme. **This option is not recommended by Officers due to the risks involved.**

Option 3

The Council could apply the proposals (through the application of a new contract of employment) only to new starter employees.

As with Option 2, this option would only deliver some of the necessary savings, would provide additional logistical and on-going difficulties in operating different sets of terms & conditions to different people at the same time and would leave the Council open to future potential equal value claims based on a continuation of the current approach to pay and grading, particularly an old job evaluation scheme. **This option is not recommended by Officers due to the risks involved.**

Option 4

The Council could issue to all employees (12 weeks) notice of dismissal and an offer of simultaneous reengagement on new contracts of employment reflecting the changes. Employees would be encouraged to confirm voluntary acceptance of the new contract at any time during the 12 week notice period. Employees who did not confirm their acceptance of the new contract of employment would be deemed to have dismissed themselves and terminated their contract of employment with the Council. This would not constitute a redundancy situation and would not lead to a redundancy payment.

Whilst this option would deliver the estimated savings in the shortest timescale and would remove the potential equal value risk of continuing with the current approach to pay and grading, it risks the alienation of employees who would voluntarily accept the changes through acceptance of a new contract of employment. This option could lead to a significant reduction in workforce morale, motivation and performance and a significant increase in employee relations difficulties including the risk of industrial action. **This option is not recommended by Officers due to the risks involved.**

Option 5

The Council could offer new contracts of employment (reflecting the changes) to all employees and provide them with a period of time (eg 2/3 weeks) in which to confirm their voluntary acceptance of the new contract. For those employees that do not confirm voluntary acceptance of the new contract, the Council could then issue employees (12 weeks) notice of dismissal and an offer of simultaneous reengagement on the same new contract of employment. Employees would continue to be encouraged to confirm voluntary acceptance of the new contract at any time during the 12 week notice period. Employees who did not confirm their acceptance of the new contract of employment would be deemed to have dismissed themselves and terminated their contract of employment with the Council. This would not constitute a redundancy situation and would not lead to a redundancy payment.

Whilst this option would deliver the estimated savings (albeit in a slightly longer timescale than option 4) and would remove the potential equal value risk of continuing with the current approach to pay and grading, it also removes the risk (under option 4) of alienating employees who would voluntarily accept the changes through acceptance of a new contract of employment. This option could still lead to a significant reduction in workforce morale, motivation and performance and a significant increase in employee relations difficulties including the risk of industrial action but the risk is likely to be much lower than that associated with option 4. This approach has recently been administered in a neighbouring authority and is the only other option available in implementing changes lawfully.

For the reasons set out above, Option 5 is recommended.

49. If Option 5 is approved by Governance Committee the recommended implementation date would be 1st December 2017 in both corporate directorates and schools. This implementation date would enable the achievement of savings on the corporate pay bill at the earliest practicable opportunity. However, Head Teachers have indicated that in this scenario they may prefer an Implementation Date in schools of 1st January 2018. For this reason and to provide some contingency for unexpected problems, the Committee are asked to consider delegating authority to the Chief Executive to adjust the recommended Implementation Date for corporate directorates and/or C/VC schools by up to 3 months if necessary.

IMPLICATIONS AND RISKS

Financial implications and risks:

The paper sets out two key scenarios and the financial implications of each are set out in Table 7 and 8 below. The first assumes an implementation date of the 1st September 2017 assuming collective agreement is in place and the second based on a go live date of the 1st December 2017.

Table 7 – Based on a Go Live Date of the 1st September 2017

	2017/18	2018/19	2019/20
	£'m	£'m	£'m
General Fund			
Cost Reduction	(0.509)	(0.872)	(0.872)
Less Pay Protection Costs	0.377	0.030	
<i>Total (Saving) / Cost</i>	<i>(0.132)</i>	<i>(0.842)</i>	<i>(0.872)</i>
Saving Target	0.500	0.500	0.500
Shortfall in Saving Target / (Surplus in Saving Target)	0.368	(0.342)	(0.372)
<u>Non General Fund Services</u>			
Cost Reduction	(0.074)	(0.127)	(0.127)
Less Pay Protection Costs	0.033	0.003	
<i>Total (Saving) / Cost</i>	<i>(0.041)</i>	<i>(0.124)</i>	<i>(0.127)</i>
<u>Community/VC Schools</u>			
Cost Reduction	(0.118)	(0.202)	(0.202)
Less Pay Protection Costs	0.191	0.015	
<i>Total (Saving) / Cost</i>	<i>0.073</i>	<i>(0.187)</i>	<i>(0.202)</i>

The table above demonstrates that for the general fund there is a shortfall in the approved saving target for 2017/18 of £0.368m which will need to be funded from the Risk Reserve. From 2018/19 onwards the saving target will be exceeded by £0.342m and £0.372m respectively which will provide an additional opportunity to reimburse the Risk Reserve and further provide an opportunity to be factored into the medium term financial plan for future years.

For non general fund services, savings will accrue from 2017/18 onwards and these will be to the benefit of the ring fenced accounts.

For community/VC schools as set out in the body of the report the pay protection costs of £0.191m in 2017/18 and £0.015m in 2018/19 will need to be met from the Council and funded through the Risk Reserve.

Table 8 – Based on a Go Live Date of the 1st December 2017

	2017/18	2018/19	2019/20
	£'m		
General Fund			
Cost Reduction	(0.291)	(0.872)	(0.872)
Less Pay Protection Costs	0.241	0.166	
Total (Saving) / Cost	(0.050)	(0.706)	(0.872)
Saving Target	0.500	0.500	0.500
Shortfall in Saving Target / (Surplus in Saving Target)	0.450	(0.206)	(0.372)
<u>Non General Fund Services</u>			
Cost Reduction	(0.042)	(0.127)	(0.127)
Less Pay Protection Costs	0.021	0.15	
Total (Saving) / Cost	(0.021)	(0.023)	(0.127)
<u>Community/VC Schools</u>			
Cost Reduction	(0.067)	(0.202)	(0.202)
Less Pay Protection Costs	0.122	0.084	
Total (Saving) / Cost	0.055	(0.118)	(0.202)

The table above demonstrates that for the general fund there is a shortfall in the approved saving target for 2017/18 of £0.450m which will need to be funded from the Risk Reserve. From 2018/19 onwards the saving target will be exceeded by £0.206m and £0.372m respectively which will provide an additional opportunity to reimburse the Risk Reserve and further provide an opportunity to be factored into the medium term financial plan for future years.

For non general fund services, savings will accrue from 2017/18 onwards and these will be to the benefit of the ring fenced accounts.

For community/VC schools as set out in the body of the report the pay protection costs of £0.122m in 2017/18 and £0.084m in 2018/19 will need to be met from the Council and funded through the Risk Reserve.

The report sets out in paragraph 24 (Table 6) the risk that over the long term period the amended terms and conditions could increase general fund expenditure by £1.651m. The report sets out reasons why this is a risk which may not materialise given staff turnover and the number of staff not being paid at the top of their grade. Budget managers have responsibility for managing their income and expenditure inline with agreed budgets and therefore this is a risk that managers will need to contain as no corporate funding will be available.

Legal implications and risks:

In the event that Collective Agreement is not reached and option 5 is followed as recommended, staff will be dismissed and re-engaged. This is standard practice where consent is not given to the change of terms and conditions of employment. It is open to staff to not accept the new terms of employment and they may issue proceedings for unfair dismissal in the Employment Tribunal. In such circumstances the Tribunal will look at the reasons for the dismissal (in this case the need to remove outdated and inconsistent terms within the Council and replace them with those that are more fitted to the Council's business needs and to make savings) and the process undertaken. While no outcome is certain, the Council has a strong case that the changes were necessary and that the proper process was undertaken to make those changes, accordingly any application is unlikely to succeed.

Human Resources implications and risks:

The Council's proposals (irrespective of whether a Collective Agreement is signed or not) have fundamental implications for all corporate and C/VC school employees (except employees employed on School Teachers Pay & Conditions). The Council's proposals would change individual employee's contracts of employment. In accordance with employment law requirements, the Council has carried out comprehensive consultation with employees and their trade union representatives on the proposed changes with a view to achieving a Collective Agreement on the implementation of those changes. Whilst the Council's proposals inevitably mean that some staff will experience a reduction in pay, the Council has endeavoured to minimise and mitigate those impacts in order to finalise a set of proposals which, in the circumstances, are as reasonable and balanced as possible. This can be seen by the number and range of initial proposals that have been revised (subject to Collective Agreement) through the consultation process. It should be noted that the Council's Final (Collective Agreement) Proposals are not as severe as other Council's have recently implemented, in particular those that have been implemented by a neighbouring authority. The fact that the trade unions have balloted their members on a potential Collective Agreement on the basis that the Final (Collective Agreement) proposals represent the best that may be achieved through negotiation with the Council, is a measure of the reasonableness and balance of those proposals. The signing of a Collective Agreement represents the most attractive and least destabilising way forward to implement the necessary changes for both the Council and for employees as a whole.

However, if a Collective Agreement is not signed, then the Council will review the revised proposals that were subject to a Collective Agreement to determine if any of those revisions should be withdrawn (and hence revert to the Council's initial proposal), further revised or retained. To implement the T&C changes under this scenario, the Council will endeavour to encourage employees to voluntarily accept the changes to their contracts of employment. However, staff who do not do so will be issued with notices of dismissal and simultaneous offer of re-engagement on the revised T&Cs in line with normal employment law processes.

Equalities implications and risks:

A second equalities analysis was carried out on the post-consultation proposals and is detailed at Appendix 4. The main conclusions are:

- No one group of people with a protected characteristic is significantly adversely affected as a result of the Council's proposals
- The proposals will have a positive impact on the Gender Pay Gap (Note: the proposals move us to a position slightly better than the national average)

BACKGROUND PAPERS

None



Havering
L O N D O N B O R O U G H

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T&C REVIEW

THE COUNCIL'S FINAL (COLLECTIVE AGREEMENT) PROPOSALS – AS AT 11/7/17

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
1	<i>Scope</i>	<i>Scope</i>	<i>Scope</i>
1.1	The T&C Review includes all positions and employees in the corporate (ie the non-schools) part of the organisation including oneSource services and employees who have transferred by way of the Transfer of Undertakings (TUPE) legislation into the Council before the Implementation Date (except employees employed on School Teachers Pay & Conditions). The T&C Review also includes all employees in Community & Voluntary Controlled (C/VC) schools (except employees employed on School Teachers Pay & Conditions)	No change	No change
Page 25	<i>Job Evaluation and Appeals</i>	<i>Job Evaluation and Appeals</i>	<i>Job Evaluation and Appeals</i>
2.1	Replace the Greater London Whitley Council (GLWC) Job Evaluation (JE) scheme with the Greater London Provincial Council (GLPC) JE scheme	No change	No change
2.2	Replace the Hay JE scheme (used for senior management roles) with the Local Government Employers (LGE) JE scheme	No change	No change
2.3	Apply the GLPC JE scheme to all roles subject to the NJC Local Government Services at third tier and below except the following: Specified third tier roles graded under the LGE JE scheme; Election/Door to Door Canvassers; Specific sessional teaching roles; National Management Trainee Programme roles; Apprentice roles	No change	No change
2.4	Apply the LGE JE scheme to all roles subject to the JNC Chief Executives and JNC Chief Officers at first and second tier and to specified third tier roles	No change	No change

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
2.5	<p>Employees may appeal against the proposed new grade of their substantive role. All appeals will be considered and determined by a joint Management/Trade Union JE Appeal Panel as follows:</p> <ul style="list-style-type: none"> • JE Appeal Panel to comprise 2 management representatives and 2 trade union representatives (Employee Side Secretary to coordinate who will comprise the 2 Trade Union reps for each appeal) • 2 management representatives to be the Director of HR&OD (or rep) and a service management representative (who will be the Head of Learning & Achievement (or rep) in relation to any appeal from a C/VC school employee) • The “Chair” of the JE Appeal Panel to alternate between employer/employee reps • “Like” appeals to be joined together (to be determined by the JE Appeal Panel following proposal from the T&C Review Project Manager) – relevant post holders to submit a single consolidated appeal • Appeals to be “heard” on a document basis (rather than physical meetings) – meeting could be arranged if absolutely necessary • Chair to coordinate Panel views on a document basis (rather than physical meetings) – meeting could be arranged if absolutely necessary • Appeal Panel decision determined by majority vote (Note: appeal decisions could result in: a grade reduction; no change to grade; an increase in grade) – where the panel vote is evenly split (eg 2-2) the status quo will prevail ie the appeal will not be upheld • Appeal Panel decision final – no recourse to elected members or Greater London Provincial Council 	<p>New starters and employees who have moved into a new substantive position between start of T&C consultation commenced (19th September 2016) and date of Governance Committee decision on implementation of T&C (tbc) are able to submit an appeal against the proposed new grade of their substantive post.</p> <p>Joint moderation process implemented following trade union/Council agreement.</p>	<p>New starters and employees who have moved into a new substantive position between start of T&C consultation commenced (19th September 2016) and date of Governance Committee decision on implementation of T&C (20th July 2017) are able to submit an appeal against the proposed new grade of their substantive post.</p> <p>Joint moderation process implemented following trade union/Council agreement.</p>
2.6	The process to deal with JE Appeals after implementation of the T&C Review to be developed through the T&C Review consultation process	No change	No change

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
3	<i>Basic Pay, Grading, Assimilation and Pay Protection</i>	<i>Basic Pay, Grading, Assimilation and Pay Protection</i>	<i>Basic Pay, Grading, Assimilation and Pay Protection</i>
3.1	Reduce the current structure of 33 grades (APTC1 to HG1) to a new broader banded 18 grade structure (Grade 1 to Grade 18)	No change	No change
3.2	Continue to apply the GLPC Outer London Pay Spine to determine basic pay for roles graded under the GLPC JE scheme and the lowest graded role graded under the LGE JE scheme (ie Grade 1 to Grade 12) with the addition of 1 new local spine point (71)	No change	No change
3.3	Continue to apply locally determined salary scales to determine basic pay for all other roles graded under the LGE JE scheme	No change	No change
3.4	Each new grade to comprise 5 spine points	No change	No change
3.5	Assimilate employees to the new 18 grade structure as follows: <ul style="list-style-type: none"> Assimilation to be based on a comparison of current basic pay relevant to the employee's current substantive role (as determined by spine point) and proposed basic pay relevant to the employee's current substantive role (as determined by spine point) – no other payment/allowance relevant to the employee's substantive role or any payment/allowance relevant to any non-substantive role will be used to determine assimilation to the new 18 grade structure Where an employee is currently on a higher spine point than the maximum spine point of the proposed grade, the employee will be designated a "Red circle" and will be assimilated at the maximum spine point of the proposed grade Where an employee is currently on a spine point that falls within the spine point range of the proposed grade, the employee will be designated a "White circle" and will be assimilated at their current spine 	No change	No change

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
	<p>point</p> <ul style="list-style-type: none"> Where an employee is currently on a lower spine point than the minimum spine point of the proposed grade, the employee will be designated a “Green circle” and will be assimilated at the minimum spine point of the proposed grade 		
3.6	<p>Apply pay protection to employees designated a Red circle for a period of 6 months</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> In relation to basic pay only (ie the value of the relevant spine point) pay protection (in all organisational change circumstances) will be for a period of six months full pay protection plus three months half pay protection An unanticipated consequence of the new grading structure is that a small number of employees would lose a small element of their annual leave entitlement. Current employees affected on Implementation Date will have their current annual leave entitlement protected for as long as they remain in their current position. 	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> In relation to basic pay only (ie the value of the relevant spine point) pay protection (in all organisational change circumstances) will be for a period of six months full pay protection plus three months half pay protection An unanticipated consequence of the new grading structure is that a small number of employees would lose a small element of their annual leave entitlement. Current employees affected on Implementation Date will have their current annual leave entitlement protected for as long as they remain in their current position. The protection will continue to apply if the employee is restructured into another position that is graded Grade 1, 2 or 3. This protection does not apply to new starters or existing employees otherwise moving into a Grade 1, 2 or 3 position. Pay protection will not apply to contractual overtime or any other allowance/payment with the following exception:

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
			<ul style="list-style-type: none"> ○ Shift Allowance and Enhancement Allowance payments only <u>will be protected</u> for a period of six months following the T&C Implementation Date ○ Shift Allowance and Enhancement Allowance payments will not be protected following the implementation of any other organisational change
4	<i>Performance Based Progression</i>	<i>Performance Based Progression</i>	<i>Performance Based Progression</i>
4.1	Apply a Performance Based Progression scheme (PBP) to determine progression from one spine point to the next within each new grade	No change	No change
	The Council will bring forward proposals to review its existing PDR scheme to ensure it is fit for the purpose of determining PBP in the corporate part of the organisation and to develop similar scheme for use in C/VC schools	No change	No change
4.3	Implement the results of the PBP scheme for the first time with effect from 1 April 2018	No change	Subject to Collective Agreement being signed: <ul style="list-style-type: none"> • The PBP process will first apply to the 2018/19 performance year ie the result of the 2018/19 performance assessment process will be first applied to incremental progression due on 1st April 2019 • Any incremental progression due between 1st April 2018 and 30th September 2018 will be applied as per current arrangements

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
5	<i>Allowances and Payments</i>	<i>Allowances and Payments</i>	<i>Allowances and Payments</i>
5.1	All existing allowances/payments (including those set out in “Local Agreements”) to cease and be replaced only by the allowances/payments specifically identified in the Council’s T&C Review.	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> • Payments to accredited social workers under the Approved Mental Health Practitioner and Best Interest Assessor local agreement will continue to be made • Gritting allowance local agreement to continue <p>Otherwise no change</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> • Payments to accredited social workers under the Approved Mental Health Practitioner and Best Interest Assessor local agreement will continue to be made • Gritting allowance local agreement to continue <p>Otherwise no change</p>
5.2	<p>The Council intends to reduce the total expenditure on allowances/payments paid in the corporate directorates through a combination of:</p> <ul style="list-style-type: none"> • Reducing the number of occurrences where the allowance/payment is paid • Reducing the rate at which the allowance/payment is paid 	No change	No change
5.3	<p>Additional Hours</p> <p>Leave the current rate of payment (at plain time) unchanged for all additional hours worked</p> <p>The Council aims to reduce the number of additional hours worked in corporate directorates by 25%. The decision as to whether the number of additional hours worked in C/VC schools to remain a matter entirely for each C/VC school to determine.</p>	No change	No change
5.4	<p>Enhancements (including contractual and public holiday enhancements)</p> <p>Apply a single enhancement rate of 0.25 for working outside “normal hours”, remove the £105 Outer London Weighting element currently applied to the hourly rate calculation and remove all associated Time Off In Lieu (TOIL) provisions :</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> • Premium payments (eg: overtime/enhancements/ night rate/shift etc) will continue to include the £105 London Weighting component in the hourly rate 	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> • Premium payments (eg: overtime/enhancements/ night rate/shift etc) will continue to include the £105 London Weighting component in the hourly rate

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
	<p>eg 1 - reduce the current enhanced rate for Saturday working (as part of the normal working week) from 0.5 to 0.25 and, where currently applicable, remove all associated TOIL provisions</p> <p>eg 2 - increase the current enhanced rate for Unsocial Hours working (as part of the normal working week) from 0.2 to 0.25 and, where currently applicable, remove all associated TOIL provisions</p>	<p>calculation</p> <ul style="list-style-type: none"> Any TOIL provisions will be removed with the exception of rostered working on a public holiday in which case TOIL (in relation to the rostered hours worked) will continue to apply in addition to the enhancement <p>Otherwise no change</p>	<p>calculation</p> <ul style="list-style-type: none"> Any TOIL provisions will be removed with the exception of rostered working on a public holiday in which case TOIL (in relation to the rostered hours worked) will continue to apply in addition to the enhancement <p>Otherwise no change</p>
5.5	<p>Night Work</p> <p>Reduce the night work rate to the single enhancement rate of 0.25 for work between the hours of 10.00pm to 6.00am, remove the £105 Outer London Weighting element currently applied to the hourly rate calculation and remove all associated Time Off in Lieu (TOIL) provisions – eg reduce the current rate for night work from 0.33 to 0.25</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Night Rate allowance will <u>continue</u> to be paid as it currently is paid (ie at the 0.33 rate and inclusive of the £105 London Weighting component in the hourly rate Any TOIL provisions will be removed with the exception of rostered working on a public holiday in which case TOIL (in relation to the rostered hours worked) will continue to apply in addition to the enhancement 	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Night Rate allowance will <u>continue</u> to be paid as it currently is paid (ie at the 0.33 rate and inclusive of the £105 London Weighting component in the hourly rate Any TOIL provisions will be removed with the exception of rostered working on a public holiday in which case TOIL (in relation to the rostered hours worked) will continue to apply in addition to the enhancement
5.6	<p>Overtime (up to spine point 28)</p> <p>Apply a single Overtime rate of 1.25 time and remove the £105 Outer London Weighting element currently applied to the hourly rate calculation.</p> <p>The Council also aims to reduce the number of overtime hours worked in corporate directorates by 25%.The decision as to whether the number of overtime hours worked in C/VC schools to remain a matter entirely for each C/VC school to determine.</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Premium payments (eg: overtime/enhancements/ night rate/shift etc) will continue to include the £105 London Weighting component in the hourly rate <p>Otherwise no change</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Premium payments (eg: overtime/enhancements/ night rate/shift etc) will continue to include the £105 London Weighting component in the hourly rate <p>Otherwise no change</p>

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
5.7	<p>Contractual Overtime</p> <p>Apply a single Overtime rate of 1.25 time and remove the £105 Outer London Weighting element currently applied to the hourly rate calculation.</p> <p>The Council also aims to reduce the number of overtime hours worked in corporate directorates by 25%.The decision as to whether the number of overtime hours worked in C/VC schools to remain a matter entirely for each C/VC school to determine.</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Premium payments (eg: overtime/enhancements/ night rate/shift etc) will continue to include the £105 London Weighting component in the hourly rate Any TOIL provisions will be removed with the exception of rostered working on a public holiday in which case TOIL (in relation to the rostered hours worked) will continue to apply in addition to the Contractual Overtime payment <p>Otherwise no change</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Premium payments (eg: overtime/enhancements/ night rate/shift etc) will continue to include the £105 London Weighting component in the hourly rate Any TOIL provisions will be removed with the exception of rostered working on a public holiday in which case TOIL (in relation to the rostered hours worked) will continue to apply in addition to the Contractual Overtime payment <p>Otherwise no change</p>
5.8	<p>Planned Overtime (spine point 29 and above)</p> <p>For new Grades up to and including Grade 10 - apply a single Overtime rate of 1.25 time and remove the £105 Outer London Weighting element currently applied to the hourly rate calculation.</p> <p>Remove Overtime for new Grade 11 and above.</p> <p>The Council also aims to reduce the number of overtime hours worked in corporate directorates by 25%.The decision as to whether the number of overtime hours worked in C/VC schools to remain a matter entirely for each C/VC school to determine.</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Premium payments (eg: overtime/enhancements/ night rate/shift etc) will continue to include the £105 London Weighting component in the hourly rate <p>Otherwise no change</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Premium payments (eg: overtime/enhancements/ night rate/shift etc) will continue to include the £105 London Weighting component in the hourly rate <p>Otherwise no change</p>
5.9	<p>Shift Allowance</p> <p>Reduce the various rates of shift allowance to a single rate of 5% and remove the £105 Outer London Weighting element currently applied to the hourly rate calculation and remove all</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Shift pay allowance will be 7% for day shifts and 10% for night shifts Premium payments (eg: 	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Shift pay allowance will be 7% for day shifts and 10% for night shifts Premium payments (eg:

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
	TOIL provisions.	<p>overtime/enhancements/ night rate/shift etc) will continue to include the £105 London Weighting component in the hourly rate</p> <ul style="list-style-type: none"> Any TOIL provisions will be removed with the exception of rostered working on a public holiday in which case TOIL (in relation to the rostered hours worked) will continue to apply in addition to the Shift Allowance 	<p>overtime/enhancements/ night rate/shift etc) will continue to include the £105 London Weighting component in the hourly rate</p> <ul style="list-style-type: none"> Any TOIL provisions will be removed with the exception of rostered working on a public holiday in which case TOIL (in relation to the rostered hours worked) will continue to apply in addition to the Shift Allowance
5.10	<p>Standby</p> <p>Remove standby payments in service areas where standby arrangements are considered unnecessary (eg as per ICT). Where standby payments are considered necessary pay at a single rate of 1 hour of Overtime per standby period – no TOIL.</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Standby allowance (where considered necessary) will be: <ul style="list-style-type: none"> £22 for each standby period of up to and including 24 hours £100 for each standby period of over 24 hours (with the exception of Childrens' Social Workers for whom the current Standby rate will remain due to the statutory nature of the requirement <p>Otherwise no change</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Standby allowance (where considered necessary) will be: <ul style="list-style-type: none"> £22 for each standby period of up to and including 24 hours £100 for each standby period of over 24 hours (with the exception of Childrens' Social Workers for whom the current Standby rate will remain due to the statutory nature of the requirement <p>Otherwise no change</p>
5.11	<p>Call Out</p> <p>Where actually called out pay at a single rate equal to the Overtime rate for that role for actual hours called out (including travel time) – no TOIL</p>	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Any TOIL provisions will be removed with the exception of rostered working on a public holiday in which case TOIL (in relation to the rostered hours worked) will continue to apply in addition to the Call Out Allowance 	<p>Subject to Collective Agreement being signed:</p> <ul style="list-style-type: none"> Any TOIL provisions will be removed with the exception of rostered working on a public holiday in which case TOIL (in relation to the rostered hours worked) will continue to apply in addition to the Call Out Allowance

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
		Otherwise no change	Otherwise no change
5.12	Car Allowances Remove Essential Car User lump sum allowance and increase Essential Car User mileage to HMRC rate (45p per mile). Reduce Casual Car User mileage to HMRC rate (45p per mile)	No change	No change
5.13	Honorarium Review and tighten up the circumstances in which an honorarium payment is paid in the corporate directorates (eg by removing the current criteria of payment to recognise the carrying out of a one-off piece of project work; removing the ability to extend honoraria beyond a 6 month period)) in order to reduce the frequency that honoraria payments are made in order to reduce expenditure by 90%. The decision as to whether to review and tighten up the circumstances in which an honorarium payment is paid in C/VC schools to remain a matter entirely for each C/VC school to determine.	Subject to Collective Agreement being signed: <ul style="list-style-type: none"> Honoraria will be paid for up to nine months Otherwise no change	Subject to Collective Agreement being signed: <ul style="list-style-type: none"> Honoraria will be paid for up to nine months Otherwise no change
5.14	First Aid Leave the current rate of payment unchanged . The Council will review the number and distribution of qualified First Aiders in the corporate directorates to ensure relevant statutory requirements are met but to also ensure they are not unnecessarily exceeded. This may result in a reduction in numbers of First Aiders. The decision as to whether to review the number and distribution of qualified First Aiders in C/VC schools to remain a matter entirely for each C/VC school to determine.	No change	No change

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
5.15	Market Supplement <u>Continue</u> to apply Market Supplements where there is an approved business case evidencing future recruitment and/or retention difficulties. Current Market Supplements to be adjusted where basic salary changes as a result of JE/Grading proposals	No change	No change
5.16	Three Year Plusage This was removed from the scope of the T&C Review and Proposals in September 2016.	Not applicable	Not applicable
5.17	Teaching Assistance2 (TA2) Allowance <u>Apply a new allowance</u> of £402pa (pro rata) to all TA2 roles to differentiate between TA1 and TA2 roles	Subject to Collective Agreement being signed: <ul style="list-style-type: none"> The TA2 allowance has been increased to £465pa (pro rata) Otherwise no change	Subject to Collective Agreement being signed: <ul style="list-style-type: none"> The TA2 allowance has been increased to £687pa (pro rata) Otherwise no change
5.18	London Living Wage <u>Introduce a new supplement</u> to ensure that hourly basic pay is equal to the current London Living Wage rate (this currently affects new Grade 1 only) – the supplement will be considered for approval by Council on a rolling annual basis as part of the approval process for the Pay Policy Statement.	No change	No change
5.19	Redundancy Pay The proposal at the start of consultation was that the statutory maximum level of weekly pay (currently £479) would be applied to the calculation of all redundancy payments. This would reduce the maximum total redundancy payment to £14,370.	Subject to Collective Agreement being signed: <ul style="list-style-type: none"> The Council has changed this proposal to continue to calculate redundancy pay using actual weekly pay and to apply a maximum total redundancy payment of £30,000 (currently tax free) 	Subject to Collective Agreement being signed: <ul style="list-style-type: none"> The Council has changed this proposal to continue to calculate redundancy pay using actual weekly pay and to apply a maximum total redundancy payment of £30,000 (currently tax free)

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
5.20	LALO Instead of treating the Local Authority Liaison Officer (LALO) responsibilities as a separate job in its own right, continue to pay for the LALO role at £1000pa pro rata through a new allowance in addition to the employee's substantive position.	No change	No change
5.21	Special Educational Needs (SEN) Allowance The Council is not proposing to change this allowance	No change	No change
5.22	Laundry Remove the current Laundry Allowance	No change	No change
5.23	Noise Abatement Remove the current Noise Abatement Allowance	No change	No change
5.24	Tools Remove the current Tool Allowance	No change	No change
5.25	Dog Money Allowance Remove the current Dog Money Allowance	No change	No change
5.26	Phone Allowance Remove the current Phone Allowance	No change	No change
5.27	Split Duty Allowance Remove the current Split Duty Allowance	No change	No change
5.28	Additional Payments Huge variety of miscellaneous payments paid via the payroll element "Additional Payments". Some of these payments such as Shift Allowance/Honoraria already covered above. All other payments (eg Accelerated increments; Dog money; Phone allowance; Split Duty) will be terminated unless specifically identified in the Council's T&C Review	No change	No change

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
6	<i>National Terms & Conditions</i>	<i>National Terms & Conditions</i>	<i>National Terms & Conditions</i>
6.1	Leave CEX role currently subject to JNC for Chief Executives <u>unchanged</u>	No change	No change
6.2	Leave first and second tier roles currently subject to JNC for Chief Officers <u>unchanged</u>	No change	No change
6.3	Leave all roles currently subject to NJC Local Government Services (as varied by the GLPC London Agreement) <u>unchanged</u> except a small number of specific roles as detailed below	No change	No change
6.4	Leave all roles currently subject to Soulbury Committee <u>unchanged</u> though these will be subject to a separate review in due course	No change	No change
6.5	Leave all roles currently subject to JNC Youth & Community Workers <u>unchanged</u> though these will be subject to a separate review in due course	No change	No change
	<i>Miscellaneous</i>	<i>Miscellaneous</i>	<i>Miscellaneous</i>
	Employee Benefits	No change	No change
	The Council is open to introduction of a new and coordinated approach to employee benefits and intends to survey all employees (including those in C/VC schools) as a separate exercise outside the scope of the T&C Review and after the T&C Consultation period has ended, about the range of employee benefits available which would be of most interest		
7.2	Employee Recognition	No change	No change
	The Council is open to the introduction of a new and coordinated approach to employee recognition and will invite suggestions from all employees in the corporate directorates about the most appropriate means to do so as a separate exercise outside the scope of the T&C Review and after the T&C Consultation period has ended		
	The decision as to whether to introduce an employee		

Ref No.	Initial Proposals	Post-Consultation Proposals	Final (Collective Agreement) Proposals
	recognition approach in C/VC schools remains a matter entirely for each C/VC school to determine.		
7.3	HR Policies A number of existing HR Policies will be modernised and updated (eg the Organisational Change & Redundancy Policy) and a number of new HR Policies will be developed (eg a Job Evaluation Policy) to reflect the T&C Proposals	No change	No change
7.4	Contracts of Employment Apply modernised and updated contracts of employment templates to reflect the T&C Proposals	No change	No change
7.5	Equalities Analysis In accordance with the Council's Managing Organisational Change & Redundancy policy, an initial Equality Analysis will be carried out on the Council's initial T&C Proposals prior to the launch of employee consultation and on the finalised T&C Proposals after employee consultation and a summary statement will be provided to employees as part of the T&C Consultation launch information. The Council will commission an independent consultant to carry out both of the above Equality Analyses of the Council's T&C Proposals.	No change	No change

T&C REVIEW

SUMMARY OF CHAIR OF GOVERNORS FEEDBACK

11 July 2017

1. Keep existing staff on current terms, conditions and pay – only apply the new T&Cs to new staff.
2. It is not fair and morally wrong to tell a valued employee one day that the same job they will be doing the next day will be paid less whilst another employee who is doing another job one day will be paid more.
3. The small amount of savings to schools is disproportionate to the likely detrimental impact
4. Concerns about the impact on educational standards through the loss of goodwill, resignations and the extent to which leadership teams will be distracted by dealing with these issues.
5. The cost of the review exceeds the savings target.

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Equality Assessment of Proposed changes to terms and conditions of service by Havering Council.

1. Introduction.

- 1.1 Havering Council has developed a set of proposals to change the grading system and terms and conditions of almost its entire, non-teaching workforce of around 5,100 employees, including schools based employees.
- 1.2 The proposed changes are designed to move the Council to the Greater London Provincial Council's (GLPC) pay scheme. The GLPC pay scheme is a robust structure used by the majority of other London Boroughs and is aligned to the National Joint Council's pay spine. The pay spine is subject to review and evaluation to maintain its rigour and adopting this pay spine will provide Havering Council with a structure that is less likely to create inequality. It will also help the Council to more easily benchmark its pay against other London Councils.
- 1.3 The Council has used a pay modelling system provided by Northgate to develop its proposals and the base data used for modelling is its payroll data held on the Council's Oracle Finance and HR system.
- 1.4 An indicative impact assessment was conducted on the first set of proposals in August 2016. Following this the Council consulted with its employees and revised its proposals based on feedback.
- 1.5 Management and Trade Union representatives have worked together to develop these revised proposals following the first equality assessment, and have jointly agreed the reporting format for this second equality assessment.

2. Summary and Conclusions

- 2.1 **This analysis has found that no one group of people with a protected characteristic is significantly adversely affected as a result of the Council's proposals.** For the purposes of this assessment a significant difference is taken to be one where the impact is more than 5% (Equality and Human Rights Commission advice).
- 2.2 There are however significant differences in basic pay that are inherent in the current job evaluation (JE) system and only marginally improved by way of the proposed JE schemes. Women currently receive on average 59.4% of men's basic pay and this does not increase as a result of the proposals. Consequently small increases in basic pay as a result of implementing new JE schemes make a bigger financial difference to men when compared to women. Conversely in relation to pay and allowances women currently earn 58.3% of men's pay and this increases as a result of the proposals to 59%.

- 2.3 Within this context the analysis has shown, that women are more adversely affected by changes to basic pay than men (albeit not big reductions in monetary terms) and the majority of these women are on the lowest grades, APTC 1/2/3 and 4/5/6. For Teaching Assistants on grades APTC 1/2/3 the differential is slightly reduced when the Teaching Assistant 2 allowance is applied.
- 2.4 Men are more adversely impacted by proposed changes to allowances because currently more men receive additional payments than women and currently men appear to receive higher amounts on average. The underlying reasons are not clear. The Council has a high proportion of females in the workforce many of whom work part time and are more likely to be paid additional hours at plain time (in line with national terms and conditions), whereas those who work full time hours will receive an enhanced rate for their additional hours (over 36 per week), but it may also be that women are not seeking to claim these allowances.
- 2.5 The mean average Gender Pay Gap based on current pay and allowances is slightly above the UK average of 19% at October 16 (EHRC) but falls to 18.04% when calculated on the proposed hourly rate for pay and allowances in the new pay and grading structure, **indicating that the new pay proposals will have a positive impact on the Gender Pay Gap**. This is because the Pay Gap is calculated on pay and allowances.
- 2.6 The analysis does not show any significant impact of the proposals on those from ethnic minority backgrounds when compared to those from a white background.
- 2.7 Similarly the analysis of the impact of proposals on those of different age groups shows that no one age group is more adversely affected than another. The proposals generally favour younger people under 20 when compared to those over 60. This is supportive of a strategy to attract young people to the borough.
- 2.8 The analysis shows that those people who have declared a disability are not disproportionately affected when compared to those who have declared that they do not have a disability.
- 2.9 It will help future equality analyses if more people are encouraged to declare their ethnicity and whether or not they have a disability so that richer data is available. This also applies to other protected characteristics including religious belief that have not been included in this analysis.

Recommendations:

- A. Engage with women and men on low grades to understand the reasons for the high numbers of women earning lower rates of basic pay when compared to men, and address any relevant findings through a workforce strategy for both schools and the Council.

- B. Review all additional allowances to identify whether women receive the additional payments they are entitled to and take action as appropriate.
- C. Prepare a plan to close the Gender Pay Gap. Include actions from A and B above where appropriate.
- D. Continue to encourage people to report their ethnicity, religious belief and disability to enable the Council to address imbalances in the workforce.

3. Introduction

- 3.1 An Equality Assessment is an analysis of a proposed change to an organisational policy to determine if it has a disparate impact, either positively or negatively, on groups with protected characteristics.
- 3.2 In this instance the analysis involves comparing pay data from the old and new pay structures in order to determine the impact of the proposals in relation to gender, ethnicity, age and disability. This review relates both to basic pay and basic pay plus additional allowances both contractual and non-contractual.
- 3.3 The impact has been assessed by:
 - Analysing the numbers and percentages of those affected, positively and negatively, for each protected group, when compared with the impact on the workforce as a whole.
 - Comparing current and proposed average basic pay, to identify the financial impact of the changes on each of the protected groups,
 - Comparing current and proposed average basic pay plus allowances to identify the financial impact of the changes on each of the protected groups.
- 3.4 The impact has been assessed collectively across the Council as a whole and separately by grouping together grades that naturally fit together. The groups that have been used were provided by the Council's HR team. An assessment has also been made of the high level impact of the proposals on allowances alone.
- 3.5 Research for this work includes reference to the Equality and Human Rights Commission website (EHRC), and to London Councils as well as searches on the intranet for examples of other similar work in the public sector.
- 3.6 This report does not include an assessment of how the basic pay line has been drawn or the impact of grade boundaries on any of the protected characteristics.
- 3.7 Equality and Human Rights Commission advice is that pay gaps of 5% or more should be treated as statistically significant, requiring further investigation to identify the cause. Gaps of between 3% and 5% may also be indicative that those with the protected characteristic may be treated differently. This report highlights instances where the difference between the current and proposed basic pay and basic pay and allowances differ by 5% or more for each of the protected groups and provides commentary.

Terms of Reference

- 3.8 The purpose of this Equality Assessment is to analyse, assess and comment on the data provided in relation to the impact of the proposals on each of four characteristics – gender, ethnicity, age and disability.
- 3.9 Other protected characteristics under the Equality Act 2010 have been excluded because of the absence of relevant data.
- 3.10 Public bodies employing more than 250 people are required to report their Gender Pay from 2017 onwards and the Council has taken the opportunity to include its Gender Pay Gap Reporting as part of this analysis. Reporting is required only for the Council's corporate staff. The Council will be able to benchmark its gender pay gap against other London Boroughs when their figures are available later in the year.
- 3.11 It is important to note that the Council's terms and conditions proposals are intended to ensure that no one protected group is disadvantaged more than another as a result of the proposed changes. The proposals do not in themselves seek to improve the current position regarding Gender, Ethnicity, Disability or Age. This will be addressed outside of the scope of the terms and condition review as part of the wider workforce strategy.

4. Gender Context

- 4.1 Havering has a large female workforce. Of the 5,099 employees working for the Council, including schools, 4,000 are female. They make up 78.45% of the workforce. The majority of the Council's female workforce is employed on lower salaries and work in schools. Over 90% of those employed in schools are female.

Female	4000	78.45%
Male	1012	19.85%
Prefer not to say	87	1.70%
Total	5099	100%

Hours

- 4.2 Many women work part time hours, 49% of those working in corporate directorates and 64% of women working in schools are part time workers.

Havering residents

- 4.3 A high percentage of women live in the borough, 80% of those on scale points 1-25 are Havering residents whereas their male counterparts are more mobile, with only 67% of those on scale points 1-25 living in the borough.
- 4.4 The percentage is even higher for schools based staff on scale points 1-25. 90% of females are Havering residents, compared to 72% of males.

- 4.5 At higher grades the gap narrows with fewer women working and living locally. For example at PO4 and above 40% of females working for the Council (excluding schools based staff) are resident in the borough as are 37.7% of males. This may be because these more highly paid women are building careers and are willing and able to travel to do so. The majority if not all of these women are working in corporate directorates.

Length of service

- 4.6 More women than men working in corporate directorates leave their employment after 9 years of service. 19% of women on scale points 1 to 6 have between 5 and 9 years' service, compared to 29% of men on the same scale.
- 4.7 After 10 years the picture changes; 18% of women on scale points 1-6 have 10-14 years' service compared to 12% of men, indicating that men are moving on or progressing their careers whereas women are staying in the workforce.
- 4.8 In the school's workforce the proportion of men and women with 5-9 years' service is very similar at around 19%, but of those employees with 10 -14 years' service 16% are women compared to only 10% of men. Women with 10 years and more service tend to remain in the workforce whereas after 10 years male presence falls and continues to do so indicating that schools are not retaining their non-teaching male staff.
- 4.9 The profile of the workforce is provided by way of context. The impact of the proposals as set out below shows that women are more adversely affected by the changes to basic pay than men, whereas men are more adversely affected by changes to basic pay and allowances.
- 4.10 This is not necessarily about pay differentials alone and may in part be due to an absence of opportunity and lifestyle choices that women and men make, for example women preferring to work part time hours and men looking to supplement their pay with overtime and other additional payments. The Council needs to engage with men and women to understand the reasons and to develop a workforce plan that will address lack of opportunity if relevant.

5. Analysis - Gender

Basic Pay - Numbers and proportions affected by the changes.

- 5.1 An analysis has been carried out of the numbers and proportions of people whose proposed basic pay is higher than their current basic pay (green circles), the same as their current basic pay (white circles) and those whose proposed basic pay is less than their current basic pay (red circles).
- 5.2 As might be expected in an exercise where the objective is to move to a new pay and grading system whilst delivering a saving, the majority of both males and females are unaffected by the proposed changes to basic pay - 69% of males and 63% of females are unaffected by the proposals to change basic pay.

- 5.3 Of the group who are positively affected by the proposals, 16.4% are men and 13.2% women. They will receive an increase in their basic pay as a result of these proposals.

	Men	Women
Positively affected (Greens)	16.4%	13.2%
No change to basic pay	69%	63%
Total % who will receive the same or more basic pay.	85.4%	76.2%

- 5.4 Of the group that is adversely affected, red circles, women are more adversely affected than men – 23% of females will be worse off as a result of the proposals whereas only 16% of men will be adversely affected.
- 5.5 In particular, women on grades APTC 1/2/3 are more adversely affected, 11.3% of women are adversely affected compared to 1.38% of males. The Council has recognised that there are difficulties in differentiating Teaching Assistant grades through job evaluation and has proposed an additional payment of £465pa to all Teaching Assistants 2 on Grade 2. This is an additional contractual allowance given on top of basic pay pro rata to the hours worked. This allowance goes some way towards offsetting the difference reducing the percentage of women who are adversely affected to 9.8% compared to 1.38% of men.
- 5.6 Women on grades APTC 4/5/6 are also more adversely affected than men. However the differential is not as large as for grades APTC 1/2/3. 7% of women on grades APTC 4/5/6 are adversely affected compared to 4% of men.

Basic Pay - Financial Impact.

- 5.7 The financial impact is most appropriately identified by comparing average basic pay by gender and by grades. If the gender pay gap is 5% or more this is significant, requiring further investigation. Gaps of between 3% and 5% could also be worthy of investigation.
- 5.8 In overall terms there is little change in the average basic pay for both males and females when current basic pay is compared to proposed basic pay. Women will receive 99.5% of their current basic pay under the proposals (after the TA2 allowance is added) and men will receive 99.4% of current basic pay. The grade that is most impacted by the changes is LPO 7/8. Men will receive 97.1% of their current basic pay and women 98.1% of their current basic pay.
- 5.9 Whilst the impact of the proposals is small, and similar for both men and women, there is a significant difference in the amount that women earn as a percentage of men's basic pay. Women currently earn on average 59.4% of men's basic pay. This differential is evident for all grade groupings and is the highest for grades APTC1/2/3 where women receive 48.2% of men's basic pay currently and will receive 48.6% in the proposed pay and grading system. This

inherent pay difference overshadows the differences that arise as a result of these proposals.

- 5.10 In financial terms women on grades APTC 1/2/3 will be on average £13 a year better off as a result of the proposals, whereas men will be on average £145 a year better off. This difference is largely attributable to the current difference in men's basic pay compared to women. The current average female basic pay is £6,302 compared to £12,852 for men. Under the proposals women's basic pay will increase to £6,315 and men's to £12,997. As a result small increases in basic pay make a bigger financial difference to men compared to women.
- 5.11 The pay gap is larger at APTC 1/2/3 than any other grade. When the pay gap is calculated for Gender Pay Gap reporting purposes (see 6.5 below) it is based on the mean average hourly rate including allowances, but not including overtime. The omission of overtime may reduce the gender pay gap, because few women on low grades will be entitled to overtime rates for working additional hours. The majority will receive plain time for additional hours. The Council should take action following the introduction of these pay proposals to identify the reasons for the fundamental differences in basic pay between men and women and take appropriate action based on the outcome.

Basic Pay and Allowances – Numbers and proportions affected.

- 5.12 More women than men are unaffected by changes to basic pay and allowances (total package) than men. Over half of all women (51%) will see no change compared to just 36% men.
- 5.13 Of the group who will receive an increase in basic pay and allowances as a result of the proposals 11.35% are women and 11.7% are men.

	Men	Women
Positively affected (Greens)	11.7%	11.35%
No change to total package	36%	51%
Total % who will receive the same or more total package.	47.7%	62.35%

- 5.14 Of those who are negatively affected by the changes 52% are men compared to 38% who are women. When the impact of the proposals is assessed by grade men and women on grades APTC 1/2/3 are equally impacted by the proposals. At grades APTC 4/5/6, 15% of men are adversely affected by changes to the total package compared to 11% of women.
- 5.15 These changes are probably a reflection of the higher levels of allowances which are paid to higher numbers of men than women.

Financial Impact – Basic Pay and Allowances.

- 5.16 Generally men are more adversely affected than women. On average men are £490 worse off whereas women are £129 worse.
- 5.17 Men on Grades APTC1/2/3 will be on average £293 worse off whereas women will be on average £40 worse off. Men on grades APTC 4/5/6 will be on average £586 a year worse off whereas women will be on average £162 a year worse off.

Allowances

- 5.18 A review of the impact of changes to allowances shows that the difference between the amounts that men receive when compared to women is high. For example:
- Overtime payments - non Contractual planned hours. Women's pay is currently 53% of men's pay and the proposals will result in their receiving 50% of men's pay.
 - Contractual Market Supplements. Currently women's payments are 56.33% of men's payments and under the proposals this will increase to 57.93%.
 - Additional hours payments – non contractual. Currently women's pay is 27.73% of men's pay and this will rise to 30.3% with the new proposals.

The differentials in these payments are significant and evident in many more examples including honoraria, car user allowances, night work allowances etc. Some of the differences may be explained by the nature of the roles or lifestyle choices.

- 5.19 In conclusion there are inherent pay differences in the basic pay system and currently women on average earn only 59.4% of men's basic pay. Women see no improvement in the basic pay they earn as a percentage of men's basic pay as a result of the proposals to change basic pay. Conversely in relation to pay and allowances women currently earn 58.3% of men's pay and this increases as a result of the proposals to 59%. Men are more adversely affected by changes to pay and allowances. This is because more men receive additional payments than women and men appear to earn higher amounts. The Council should engage with women following this review to understand the differentials in pay particularly for women on the lowest grades. The Council should at the same time prioritise a review of additional payments to find out why women are receiving less than men and build actions into its workforce strategy. This will help to reduce the Gender Pay Gap. (Recommendation A, page 2)

6 Gender Pay Gap

- 6.1 The EHRC defines the gender pay gap as 'a measure of the difference between men's and women's average earnings across the organisation expressed as a percentage of men's earnings'.

- 6.2 In England there is a gender pay gap of 19% which means that on average women earn 80p for every £ that men earn (October 2016 EHRC).
- 6.3 From 2017 the Council, as an employer of more than 250 people, is required to publish and report specific figures about the gender pay gap. This must include:
- The mean gender pay gap in hourly pay
 - The median gender pay gap in hourly pay
 - The mean bonus gender pay gap
 - The median bonus gender pay gap
 - The proportion of males and females receiving a bonus payment
 - The proportion of males and females in each pay quartile.
- 6.4 The pay gap has been calculated from figures provided from the Council's HR system in line with the requirements set out by the government for gender pay gap reporting. Pay includes allowances other than overtime. For the purpose of reporting the pay gap schools have not been included. Havering Council does not make bonus payments to staff and there is therefore a 'nil' return against these requirements.
- 6.5 The table below shows the gender pay gap based on current and separately proposed total pay including allowances but excluding overtime. **The average gender pay gap reduces as a result of the proposed changes to pay and is below the UK average.**

Mean Gender Pay Gap – hourly rate (Current Pay and Allowances)	Median Gender Pay Gap – hourly rate. Current Pay and Allowances	Mean Gender Pay Gap hourly rate (Proposed Pay and Allowances)	Median Gender Pay Gap – hourly rate Proposed Pay and Allowances	Mean Bonus Gender Pay Gap	Median Bonus Gender Pay Gap
19.72%	23.3%.	18.04%	19.4%.	Nil	Nil

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
Male	6.91%	15.76%	23.61%	33.10%
Female	92.78%	83.06%	74.51%	63.45%

- 6.6 The quartile figures show the percentage of men and women in each quartile. As might be expected the percentage of women in quartile 1 which is the lowest paid is very high at 92.78%. The percentage of females in quartile 4 at 63.45% is slightly below the female workforce average of 67%. There is opportunity to encourage more women to develop into the highest paid roles.
- 6.7 Some of the reasons for the gender pay gap arise from large numbers of females on low grades and imbalance in the numbers and amounts of additional payments made to men and women.

- 6.8 However the Gender Pay Gap is not only a reflection of pay differences but may also be a reflection of lack of opportunity extended to women for career progression, and/ or lifestyle choices made by women and men.
- 6.9 Looking to the future, following this impact assessment the Council should undertake further work and engagement with the workforce and build the outcomes of that into its future workforce strategy and plans. (Recommendation A page 2).
- 6.10 In conclusion the mean gender Gender Pay Gap is currently slightly above the UK average at October 2016 but falls to 18.04% which is below the UK average when calculated based on the proposed hourly rate for pay and allowances. The Council is recommended to engage with women in the workforce to determine whether the reasons for the pay gap are in part attributable to lifestyle choices made by women. The Council is also recommended to review allowances to determine whether women are receiving the payments they are entitled to.**

7. Analysis – Ethnicity

The table below shows the profile of the Council's workforce by ethnicity.

	No.	%
White British	2636	51.69%
White Other	85	1.66%
Black	111	2.17%
Asian	65	1.27%
Mixed	21	0.41%
Any other	20	0.40%
PNTS/Not specified	2161	42.38%
Total	5099	100%

- 7.1 The percentages of ethnic minority groups in the workforce who have declared their ethnicity is very low, being 4.2% of the total workforce and 8% of the workforce who are White British or White Other.
- 7.2 When analysed by grade only 89 people on grades APTC1/2/3 and 4/5/6 have declared their ethnicity as other than white.
- 7.3 These small numbers need to be kept in mind when drawing conclusions from the data.

Basic Pay – Numbers and proportions affected.

- 7.4 The majority of people will see no change to their current basic pay as a result of the proposals. The proportions range from 60% of Asian employees to 76% of white others who will all see no change to their basic pay as a result of the proposals.

- 7.5 Asian employees are the most positively affected by the proposals. 11% of all Asian employees are positively affected.
- 7.6 However because of the low numbers of people who have declared their ethnicity it is difficult to draw any conclusions from those who are positively and negatively affected.

Basic Pay – Financial Impact.

- 7.7 The financial impact of the proposed changes has been analysed by comparing the current average pay for ethnic minority groups as a whole to the average pay of the white groups (English and White other). This shows that in overall terms ethnic minority groups earn more on average and that their percentage pay is largely unchanged when compared to that of the white groups in the new pay structure.

	Ethnic minority groups average pay (excluding PNTS)	White group's pay	Minority groups pay as a % of white group's pay.
Current average pay	£24,884	£17,864	139.3%
Proposed average pay	£24,658	£17,742	138.98%

- 7.8 When broken down by grade groupings the percentage difference between current and proposed pay of each minority group is less than 3%, with a few exceptions of small numbers of people of different ethnicity on PO grades who will be worse off by more than 5%.

Basic Pay and Allowances – Numbers and proportions affected.

- 7.9 The percentages of people who will be positively affected by the changes is low, 15% or less for all groups including those who preferred not to state their ethnicity.
- 7.10 More people are affected by changes to basic pay and allowances than are affected by changes to basic pay alone. Only 52% of white others and 45% of Asian employees will see no change to their basic pay and allowances.
- 7.11 A significant proportion of mixed race employees, 76%, will be adversely impacted as a result of the proposals, although their numbers are low, being 16. The Council may wish to give further consideration to the impact on this group.

Basic Pay and Allowances – Financial Impact.

- 7.12 The impact of the proposed changes is set out below. Generally minority groups do better than white groups as a result of the proposals.

	Ethnic minority	White	Minority groups pay as a
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	group's pay (excluding PNTS)	group's pay	% of white groups pay.
Current average pay & allowances	£25,854	£18,586	139.11%
Proposed average pay & allowances	£25,409	£18,306	138.8%

7.13 As with basic pay when analysed by grade groupings there are small numbers of higher paid individuals, on PO grades who are significantly impacted by the proposals. The majority of people will see very little change in their basic pay and allowances.

7.14 In conclusion the majority of employees of different ethnic minority backgrounds will see no change in their basic pay and basic pay and allowances as a result of the proposals. A small number of people from different ethnic backgrounds who are on higher pay grades are more negatively affected by the proposals. The number of people who have declared their ethnicity is low and this makes it more difficult to fully reflect the impact of the changes on those of different ethnic backgrounds.

8. Analysis – Age

8.1 The analysis has been carried out by comparing the average basic pay of staff on current and proposed basic pay by age range, and by comparing current and proposed basic pay and allowances by age.

The table below shows the profile of the Council's workforce by age.

	No	%
Under 20	46	0.87
20-30	408	8.01
30-40	855	16.78
40-50	1466	28.75
50-60	1671	32.77
Over 60	653	12.82
Total	5099	100%

Basic Pay – Numbers and proportions affected.

8.2 The majority of people across all age groups see no change to their basic pay as a result of the proposals. The proportions of people who see no change are very similar for most age groups, ranging from 64%-68% other than those who are under 20. A very high percentage of those under 20, including apprentices, that is 91% of people under 20, will see no change to their basic pay as a result of the proposals.

- 8.3 The proportions of people who are positively and adversely impacted by the proposals are also evenly distributed across the age ranges, 10%-14% of those aged 30 – 60 are positively affected and 20%-26% of the same age groups are adversely affected.

Basic Pay- Financial Impact.

- 8.4 In overall terms when analysed by age all staff will receive almost 100% of their basic pay in the proposed pay structure. Those employees under the age of 20 and over the age of 60 will do best.

	Under 20 (23 people)	20-30 (57 people)	30-40 (53 people)	40-50 (66 people)	50-60 (78 people)	Over 60 (77 people)
% of current basic pay received in the proposed structure.	100.48 %	99.93%	99.79%	99.43%	99.06%	99.92%

- 8.5 When analysed by grade groupings 7 people who are over 60 on grades PO7/8 do not do as well. They will receive on average 92.2% of their current basic pay.

Basic Pay and Allowances – Numbers and proportions affected.

- 8.6 Those aged under 20 do relatively well as a result of the proposals. 72% are unaffected by the proposed changes and 9% are positively affected. Conversely the over 60's do not do as well, 44% are unaffected and 8% are positively impacted.
- 8.7 For those aged 30-60 fewer will see no change to their basic pay and allowances than the proportions who see no change to their basic pay. Between 45% and 51% of those aged 30-60 will see no change to their basic pay and allowances. Between 9% and 15% of those aged 30-60 are positively affected.

Age	Positively affected	No change	Negatively affected.
Under 20	9%	72%	19%
20-30	20%	48%	32%
30-40	15%	48%	37%
40-50	11%	51%	38%
50-60	9%	45%	46%
Over 60	8%	44%	48%

Basic Pay and Allowances – Financial Impact.

- 8.8 The table below shows the impact of the proposals. There is very little difference in the impact of the proposals on those of different ages.

	Under 20 (23 people)	20-30 (57 people)	30-40 (53 people)	40-50 (66 people)	50-60 (78 people)	Over 60 (77 people)
% of current pay & allowances received in the proposed structure.	100.23%	99.58%	99.15%	99%	98.43%	97.39%

8.9 The under 20's do well receiving 100.23% of their current basic pay and additional payments whilst the over 60's do worse receiving 97.39% on their current basic pay and allowances.

8.10 Small numbers of employees on higher PO grades who are over 60 will receive a reduction of more than 9% on their basic pay and allowances in the new structure. These again are small numbers of people on relatively high salaries.

8.11 In conclusion the majority of people, of all ages, see no change to their basic pay and basic pay and allowances as a result of the proposals. Younger people under 20 do better as a result of the proposals than those who are aged over 60. Small numbers of employees on higher pay grades who are over 60 are more adversely affected than others by the proposals.

9. Analysis – Disability

9.1 The analysis has been carried out by comparing the average percentage basic pay, and basic pay and allowances, of people who have declared a disability with the average percentage basic pay of those who have declared that they do not have a disability. The table below shows the profile of the Council's workforce.

	No	%
Number of people who have declared a disability	105	2
Number of people who have declared they do not have a disability	607	12
Number of PNTS/Not Specified	4387	86
Total	5099	100%

Basic Pay – Financial Impact.

9.2 There appears to be little impact of the proposals to change basic pay on those who have declared a disability. They will on average receive 99.72% of their current basic pay if the proposals. This is very similar to the impact on those people who have declared that they do not have a disability, who will on average receive 99.23% of their current basic pay.

Basic Pay and Allowances – Financial Impact.

- 9.3 The picture is similar for basic pay and allowances. Those who have declared a disability will on average receive 98.45% of their current basic pay and allowances if the Council adopts the new pay and grading system. Those who declared that they do not have a disability will on average receive 98.62% of their current basic pay and allowances.
- 9.4 In conclusion there is little impact of the proposals on those who have declared a disability compared to the impact on those who have declared that they do not have a disability. As with ethnicity the percentages of people who have declared whether or not they have a disability are very low. The majority 86% have either preferred not to say or not specified. It will help future impact assessments if people are encouraged to declare whether or not they have a disability.**

Ruth Phillips
Ruth Phillips & Associates Ltd.
June 2017.
ruth@ruthphillips.net

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HAVERING LONDON BOROUGH COUNCIL

COLLECTIVE AGREEMENT: TERMS & CONDITIONS OF EMPLOYMENT

XX July 2017

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INTRODUCTION

Status of the Agreement

This Agreement is between Havering London Borough Council (“the Council”) and its recognised Trade Unions (Unison, GMB, Unite, NUT and NASUWT) covering the relevant employee groups. It has the status of a local Collective Agreement and forms part of the individual contracts of employment of all employees within its scope. The revised terms and conditions supplement or supercede those in the current national/provincial terms and conditions and those in the Council’s HR policies.

This Agreement makes direct reference to many individual Terms and Conditions of Employment all of which meet or exceed the minimum statutory requirements. Where the Agreement is silent on any specific item then the provisions of the current national/provincial terms and conditions will apply as varied by the Council’s HR policies.

This Agreement does not apply to any employees who at the date of actual implementation have left the Council’s employment, including those whose contracts of employment have been TUPE transferred to another employer.

Implementation

All employees within the scope of this Agreement will be individually notified in writing in advance of implementation how the changes will affect them personally.

Implementation Date

The effective dates of implementation of this Agreement are as follows:

- | | |
|--|--------------------------------|
| • Corporate Directorates | 1 st September 2017 |
| • Community/Voluntary Controlled schools | 1 st September 2017 |

Background and Objectives of the Terms & Conditions Review

The Council, like many across the country, is facing an ever increasing demand for services coupled with an ever decreasing budget. Government funding cuts, inflationary costs and the pressures of providing services to a growing elderly population means the Council will have lost a third of its budget by 2018. This is despite the Council’s excellent track record of managing its budget effectively and already delivering more than £40m in savings through making the Council more efficient.

Total savings of £30.3m were approved as part of the 2015/16 budget strategy. Further savings of £24.1m are proposed which balance the budget for the first three years, leaving a gap of £2.4m by 2018/19.

Identifying these savings is more difficult than previous years as the Council has already found and made the easier savings so the Council is now looking at all options available and included in this is the review of Terms and Conditions of Employment (T&C).

T&Cs are the rules, regulations and details of the various different working arrangements that apply to each position and each employee. They include details about basic pay and overtime, enhancements, shift pay and other allowances.

The Council's Corporate (ie non-schools) pay bill totals £95m each year and annual corporate savings of at least £500,000 (0.5% of the corporate pay bill) will help close the Council's funding gap and continue to protect key services. However, a pressing need to make savings is only one of the driving forces behind the T&C review.

The review also provides an opportunity to modernize the Council's working arrangements, pay structures and job evaluation schemes so they are in line with the needs of a modern council. It will also ensure we are meeting our obligations with regard to equalities and equal value.

External Advisers

The Council retained the services of (Northgate Arinso UK Ltd) to provide independent consultancy advice in relation to job evaluation, grading structure and pay modelling.

The Council retained the services of an independent consultant (Ruth Phillips and Associates Ltd), jointly selected by the Council and the Trade Unions, to carry out an Equality Analysis on the Council's proposals.

Equality Analysis and Future Equal Pay Audits

The independent consultant's Equality Analysis carried out on the Council's proposals is attached at Appendix A.

The Council is committed to undertaking future Equal Pay Audits on a regular basis.

Changes to the Agreement and Interpretation Issues

Where variations from the arrangements in this Agreement are needed any proposals for such variations will be subject to agreement by the Employer and Employee Side Secretaries.

Any interpretation issues arising from this Agreement must be referred to the Employer Side Secretary who will determine such matters in consultation with the Employee Side Secretary.

Scope of the Agreement

The Agreement applies to all Council positions and employees in the corporate (ie non-schools) part of the organisation including those who have transferred by way of

the Transfer of Undertakings (TUPE) legislation into the Council before the date of implementation (except those on School Teachers Pay & Conditions).

The Agreement also applies to all Council positions and employees in Community & Voluntary Controlled (C/VC) schools detailed at Appendix B (except those on School Teachers Pay & Conditions).

NJC Local Government Services

All positions and employees employed and/or graded and/or paid under the provisions of the NJC Local Government Services ("Green Book") as varied by the GLPC London Agreement ("Gold Book"), the NJC Local Authorities' Administrative, Professional, Technical & Clerical Services "Purple Book", the NJC Local Authorities' Services (Manual Workers) "White Book" and the JNC Local Authority Craft & Associated Employees "Red Book" will be subject to the job evaluation/grading structure/pay line and allowances provisions set out in this Agreement. This includes positions and employees that are paid at a spot salary grade rate.

JNC Chief Executive and JNC Chief Officers

All positions and employees employed and/or graded and/or paid under the provisions of the JNC Chief Executive or the JNC Chief Officers will be subject to the job evaluation/grading structure/pay line and allowances provisions set out in this Agreement. This includes positions and employees that are paid at a spot salary grade rate.

Soulbury Committee and Youth & Community Workers Employees

All positions and employees employed and/or graded and/or paid under the provisions of the Soulbury Committee or the Youth & Community Workers agreements will not be subject to the job evaluation/grading structure/pay line provisions set out in this Agreement but will be subject to the allowances provisions set out in this Agreement.

Other Employees

All Election, Door to Door Canvasser, specific sessional teacher positions, National Management Trainee Programme and Apprentice employees will not be subject to the job evaluation/grading structure/pay line provisions set out in this Agreement but will be subject to the allowance provisions set out in this Agreement.

JOB EVALUATION/GRADING STRUCTURE/PAY LINE

Job Evaluation

All positions previously job evaluated under the Greater London Whitley Council (GLWC) Job Evaluation Scheme have been and will in future be job evaluated under the Greater London Provincial Council (GLPC) Job Evaluation Scheme (Appendix C)

All positions previously job evaluated under the Hay Job Evaluation Scheme have been and will in future be job evaluated under the Local Government Employers (LGE) Job Evaluation Scheme (Appendix D).

Both the GLPC and the LGE JE Schemes assess the Job Profile (JP) against a number of different factors. Each factor is made up of a number of different factor levels, each scoring a certain number of job evaluation (JE) points. The total number of JE points is then used to determine the grade for the position according to the grading structure detailed below.

A Grade 12 evaluation will apply only to large/senior 3rd tier positions (4th tier on an exceptional basis) operational/specialist positions that score both 724 or more GLPC JE points and 800 or more LGE JE points. Such positions (and employees occupying such positions) will continue to be subject to the NJC Local Government Services as varied by the GLPC London Agreement.

Job Evaluation Appeal

As part of the consultation process (on the proposals to apply the GLPC and LGE JE Schemes) all employees have been provided with details of the job evaluation of the JP of their substantive position and have been provided with the opportunity to appeal against that evaluation.

Grading Structure and Pay Line

All positions job evaluated under the GLPC and LGE will be graded in relation to their total JE points under the Grading Structure Table detailed below.

Each Grade will comprise 5 spine points.

All positions graded Grade 1 to Grade 12 will be paid in accordance with the GLPC Outer London Pay Spine plus the addition of the new local spine point 71 (current spine point values detailed at Appendix E). Future amendments to local spine point 71 (including pay awards) will be the same as future GLPC amendments to spine point 70.

All positions graded Grade 13 to Grade 18 will be paid in accordance with the local Senior Management pay line (current spine point values detailed at Appendix F). The spine point values of Grade 13 to Grade 17 will be adjusted in accordance with JNC Chief Officer pay awards. The spine point values of Grade 18 will be adjusted in accordance with JNC Chief Executive pay awards.

Grading Structure Table

Grade	GLPC JE Scheme Points Range	GLPC Outer London Pay Spine – Spine Points	LGE JE Scheme Points Range	Senior Management Pay Spine – Spine Points
1	0-237	7-11	n/a	n/a
2	238-275	11-15	n/a	n/a
3	276-326	16-20	n/a	n/a
4	327-381	21-25	n/a	n/a
5	382-430	26-30	n/a	n/a
6	431-483	31-35	n/a	n/a
7	484-543	36-40	n/a	n/a
8	544-603	41-45	n/a	n/a
9	604-663	46-50	n/a	n/a
10	664-723	51-55	n/a	n/a
11	724+	57/58/59/61/63	n/a	n/a
12	n/a	66/67/68/70/71	800-999	n/a
13	n/a	n/a	1000-1139	SM1-SM5
14	n/a	n/a	1140-1279	SM6-SM10
15	n/a	n/a	1280-1419	SM11-SM15
16	n/a	n/a	1420-1619	SM16-SM20
17	n/a	n/a	1620-1819	SM21-SM25
18	n/a	n/a	1820+	SM26-SM30

Assimilation

On Implementation Date all employees will assimilate (ie move) from their current grade/spine point of their substantive position to the new grade/spine point of their substantive position as follows:

- Employees currently on a lower spine point than the minimum spine point of the new grade for their substantive position, will assimilate at the minimum spine point of the new grade of their substantive position
- Employees currently on a spine point that falls within the range of spine points of the new grade for their substantive position, will assimilate to the new grade of their substantive position at their current spine point
- Employees currently on a higher spine point than the maximum spine point of the new grade of their substantive position, will assimilate at the maximum spine point of the new grade of their substantive position
- For positions on Grades 13 to 18, the monetary values of current and new spine points are different. These employees will assimilate to the new grade for their substantive position in the same way as above with the following amendments:

- Employees currently on a spine point with a monetary value that is lower than the monetary value of the minimum spine point of the new grade for their substantive position, will assimilate at the minimum spine point of the new grade of their substantive position
- Employees currently on a spine point with a monetary value that falls within the range of monetary values of the spine points of the new grade for their substantive position, will assimilate to the new grade of their substantive position at the spine point with a monetary value immediately above the monetary value of their current spine point
- Employees currently on a spine point with a monetary value that is higher than the monetary value of the maximum spine point of the new grade of their substantive position, will assimilate at the maximum spine point of the new grade of their substantive position

Assimilation will only be carried out in relation to an employee's substantive position. Where employees are currently seconded or acting into another position, the secondment/acting arrangements will be reviewed and reconfirmed in the context of the new grading structure.

Pay Protection

In relation to basic pay only (ie the value of the relevant spine point) pay protection (in all organizational change circumstances) will be for a period of six months full pay protection plus three months half pay protection.

Pay protection will not apply to contractual overtime or any other allowance/payment with the following exception:

- Shift Allowance and Enhancement Allowance payments only will be protected for a period of six months following the T&C Implementation Date
- Shift Allowance and Enhancement Allowance payments will not be protected following the implementation of any other organizational change

Performance Based Progression (PBP)

Progression from one spine point to the next within each of the 18 new grades will be based upon individual performance assessed on an annual basis.

For all Corporate positions, the result of the Council's annual Performance Development Review (PDR) process will be used as the sole determinant for progression from one spine point to the next. The PBP process will be as set out at Appendix G.

For all Schools positions, the PBP process will be based upon a model performance assessment process currently being developed in conjunction with Head Teachers and subject to consultation with Trade Unions through the Conditions of Service Working Party (COSWP). That model performance assessment process will produce four possible assessment results (as per the corporate PDR process) in order to ensure a consistent approach to PBP across corporate directorates and schools.

The PBP process will first apply to the 2018/19 performance year ie the result of the 2018/19 corporate and schools' performance assessment processes will first be applied to incremental progression due on 1st April 2019.

Any incremental progression due between 1st April 2018 and 30th September 2018 will be applied as per current arrangements.

Post T&C Review of Community/Voluntary Controlled Schools' Model/Benchmark Job Profiles

A Head Teacher Task & Finish Group has been established to look at the approach to the revision/evaluation of model/benchmark Job Profiles in Community/Voluntary Controlled schools. There will be 2 Trade Union seats included in the terms of reference of this group, with representatives to be determined by the joint trade unions. The Teaching Assistant Job Profiles are the first priority to be dealt with. Arrangements for full and meaningful consultation with affected staff will be agreed by the group. The expectation is that the review of the Teaching Assistant Job Profiles would be complete within 6 months of the Implementation Date.

ALLOWANCES

Allowances relate to a number of working situations where payment beyond the basic pay or the 'normal' working arrangements is required in order that the work is done to meet the needs of the service.

All existing allowances (including those set out in "Local Agreements") will cease and will only be replaced by the allowances specifically identified below.

Additional Hours

Additional Hours (for part-time working up to a total of 36 hours per week) will continue to be paid at the current rate of payment ie plain time.

Enhancements (including contractual and public holiday enhancements and unsocial hours but excluding Night Work)

Enhancements (for working outside "normal hours") will be paid at the revised rate of 0.25.

The hourly rate for enhancement calculations will continue to include the £105 Outer London Weighting element.

Any associated Time Off In Lieu (TOIL) provisions will be removed with the exception of rostered working on a public holiday in which case TOIL (in relation to the rostered hours worked) will continue to apply in addition to the enhancement.

Night Work

The Night Work enhancement rate (for work between the hours of 10.00pm - 6.00am) will continue to be paid at the rate of 0.33.

The hourly rate for Night Work enhancement will continue to include the £105 Outer London Weighting element.

Any associated TOIL provisions will be removed with the exception of rostered working on a public holiday in which case TOIL (in relation to the rostered hours worked) will continue to apply in addition to the enhancement.

Overtime (up to and including spinal column point 28) and Contractual Overtime

Overtime (for working hours beyond 36 hours per week) will be paid at the revised rate of 1.25.

The hourly rate for Overtime calculations will continue to include the £105 Outer London Weighting element.

Any associated TOIL provisions will be removed with the exception of Contractual Overtime rostered working on a public holiday in which case TOIL (in relation to the

rostered hours worked) will continue to apply in addition to the Contractual Overtime payment.

Planned Overtime (spinal column point 29 and above)

For positions graded Grade 1 – 10, Planned Overtime (for working hours beyond 36 hours per week) will be paid at the revised rate of 1.25. The hourly rate for Planned Overtime calculations will continue to include the £105 Outer London Weighting element. Any associated TOIL provisions will be removed.

For positions graded Grade 11 -18, no Planned Overtime payment will be made but any associated TOIL provisions will continue to be applied.

Shift Allowance

Shift Allowance (for working on a recognised shift basis) will be paid at the rate of 7% (of basic pay) for day shifts and 10% (of basic pay) for night shifts.

The hourly rate for Shift Allowance will, in addition to the relevant % of basic pay, continue to include the £105 Outer London Weighting element.

Any associated TOIL provisions will be removed with the exception of rostered working on a public holiday in which case TOIL (in relation to the rostered hours worked) will continue to apply in addition to the Shift Allowance.

Standby Allowance

Standby Allowance (where an employee is not working but is required to be available to be “called in” to work if necessary) will be paid a Standby Allowance at the rate of £22 for each Standby session/period of up to and including 24 hours and £100 for each Standby session/period of more than 24 hours (with the exception of Children Social Workers for whom the current rate of £210 will remain unchanged due to the statutory nature of the requirement).

Any associated TOIL provisions will be removed.

Call Out Allowance

Call Out Allowance (where an employee who is not working but is “called in” to work outside of their normal working arrangements) will be paid a Call Out Allowance at the rate equal to the relevant Overtime/Planned Overtime hourly rate for the actual hours called out (including travel time). Call Out Allowance may be paid for positions graded Grade 12 at an hourly rate calculated in the same way as the Planned Overtime rate is calculated for positions graded Grade 11. No Call Out Allowance will be paid for positions graded Grade 13 to 18.

Any associated TOIL provisions will be removed with the exception of any hours actually worked on a public holiday in which case TOIL will continue to apply in addition to the Call Out Allowance.

Gritting Allowance

Gritting Allowance will continue to be paid in accordance with the “Fixed price for gritter drivers when pre salting priority one routes out of hours” Local Agreement.

Car Allowances

The Essential Car User annual lump sum payment will be removed and will no longer be applied.

The Essential Car User and Casual Car User direct mileage payments will be paid at the prevailing HMRC rate (currently 45p per mile).

Honoraria Payments

Honoraria payments will not be applied to recognise the carrying out of a one-off piece of project work.

The facility to extend an existing honorarium payment will be limited to a maximum total period (ie initial period plus extension period) of 9 months.

The Council will look at future reward mechanisms to ensure one off pieces of work of exceptional nature are recognised. Future reward strategies will follow normal consultation processes.

First Aid

First Aid payment will continue to be paid at the current rate.

The Council will review the number and distribution of qualified First Aiders in the corporate directorates to ensure relevant statutory requirements are met but to also ensure they are not unnecessarily exceeded. This may result in a reduction in numbers of First Aiders.

The decision regarding the numbers of First Aiders in Community/Voluntary Controlled schools to remain a matter entirely for each school to determine.

Market Supplement

Market Supplement payment will continue to be applied subject to an approved business case evidencing current/future recruitment and/or retention issues.

Teaching Assistant 2 (TA2) Allowance

In order to differentiate between the Teaching Assistant 1 and Teaching Assistant 2 roles (both of which have been evaluated at proposed new Grade 2), a new TA2 Allowance will be applied to all Teaching Assistant 2 positions. The allowance will be paid at the rate of £687pa (pro rata to the individual employee's contractual full time equivalent). Future amendments to the allowance (including pay awards) will be the same as future GLPC amendments to spine point 16.

London Living Wage Allowance

A new London Living Wage Allowance will be applied to ensure that hourly basic pay is equal to the prevailing hourly London Living Wage rate. The allowance would be subject to annual rolling approval by the full Council as part of the approval process of the statutory Pay Policy Statement.

Note: Because the effective date of GLPC pay awards and London Living Wage increases are different the level of London Living Wage Allowance may be reduced following each GLPC pay award.

Redundancy Payments

Redundancy payments to continue to be calculated using actual week's pay. A maximum total limit on the amount of any redundancy payment of £30,000 will be applied. This amount will remain the maximum total limit until the statutory maximum redundancy payment (based on the statutory maximum level of weekly pay) reaches £30,000.

From that date the maximum total limit on the amount of any redundancy pay will be determined by the prevailing statutory maximum level of weekly pay but will not be less than the statutory maximum redundancy payment (based on the statutory maximum level of weekly pay).

Local Authority Liaison Officer (LALO) Allowance

Instead of treating the Local Authority Liaison Officer (LALO) responsibilities as a separate job in its own right, continue to pay for the LALO role at £1000pa pro rata through a new allowance in addition to the employee's substantive position.

Special Educational Needs (SEN) Allowance

Special Educational Needs Allowance will continue to be paid at the current rate.

Laundry Allowance

The Laundry Allowance will be removed and will no longer be applied.

Noise Abatement Allowance

The Noise Abatement Allowance will be removed and will no longer be applied.

Tool Allowance

The Tool Allowance will be removed and will no longer be applied.

Dog Money Allowance

The Dog Money Allowance will be removed and will no longer be applied.

Phone Allowance

The Phone Allowance will be removed and will no longer be applied.

Split Duty Allowance

The Split Duty Allowance will be removed and will no longer be applied.

Annual Leave

A consequence of the JE and Grading Structure changes is that employees assimilating from spine point 22 or above to spine point 21 or below would lose 3 days annual leave (if less than 5 years service) or 2 days annual leave (if more than 5 years service).

Current employees affected on Implementation Date will have their current annual leave entitlement protected for as long as they remain in their current position. The protection will continue to apply if the employee is restructured into another position that is graded Grade 1, 2 or 3. This protection does not apply to new starters or existing employees otherwise moving into a Grade 1, 2 or 3 position on/after Implementation Date who will be subject to the annual leave provisions relevant to their spine point.

AMHP and BIA

The current local agreements which provide for 2 extra increments for social workers for accredited Approved Mental Health Practitioner (AMHP) and Best Interest Assessor (BIA) roles will continue to be paid.

Additional Payments

A variety of other allowances/payments are paid under this payroll element (including some that relate to Local Agreements).

Unless specified above, all such allowances/payments will be removed and will no longer be paid.

OTHER CHANGES RELATING TO TERMS AND CONDITIONS OF EMPLOYMENT

Contract of employment documentation

The Council will introduce new contract templates for all employee contracts of employment, including existing employees, to reflect changes included in this Agreement and any other changes necessary to update and simplify contract documents.

HR Policies

The Council will introduce new/revised HR policies to reflect changes included in this Agreement and any other changes necessary to simplify policy documents. The new/revised policies will be subject to normal consultation arrangements.

DRAFT

FORMAL ACCEPTANCE

The following signatories, as parties to this Agreement, agree in good faith to accept the contents of this Agreement on behalf of the Council and its employees.

On behalf of the Council

Signature

Name

Title

Date

On behalf of UNISON

Signature

Name

Title

Date

On behalf of GMB

Signature

Name

Title

Date

On behalf of UNITE

Signature

Name

Title

Date

On behalf of the Havering Teaching Unions

Signature

Name

Title

Date

Equality Assessment of Proposed changes to terms and conditions of service by Havering Council.

1. Introduction.

- 1.1 Havering Council has developed a set of proposals to change the grading system and terms and conditions of almost its entire, non-teaching workforce of around 5,100 employees, including schools based employees.
- 1.2 The proposed changes are designed to move the Council to the Greater London Provincial Council's (GLPC) pay scheme. The GLPC pay scheme is a robust structure used by the majority of other London Boroughs and is aligned to the National Joint Council's pay spine. The pay spine is subject to review and evaluation to maintain its rigour and adopting this pay spine will provide Havering Council with a structure that is less likely to create inequality. It will also help the Council to more easily benchmark its pay against other London Councils.
- 1.3 The Council has used a pay modelling system provided by Northgate to develop its proposals and the base data used for modelling is its payroll data held on the Council's Oracle Finance and HR system.
- 1.4 An indicative impact assessment was conducted on the first set of proposals in August 2016. Following this the Council consulted with its employees and revised its proposals based on feedback.
- 1.5 Management and Trade Union representatives have worked together to develop these revised proposals following the first equality assessment, and have jointly agreed the reporting format for this second equality assessment.

2. Summary and Conclusions

- 2.1 **This analysis has found that no one group of people with a protected characteristic is significantly adversely affected as a result of the Council's proposals.** For the purposes of this assessment a significant difference is taken to be one where the impact is more than 5% (Equality and Human Rights Commission advice).
- 2.2 There are however significant differences in basic pay that are inherent in the current job evaluation (JE) system and only marginally improved by way of the proposed JE schemes. Women currently receive on average 59.4% of men's basic pay and this does not increase as a result of the proposals. Consequently small increases in basic pay as a result of implementing new JE schemes make a bigger financial difference to men when compared to women. Conversely in relation to pay and allowances women currently earn 58.3% of men's pay and this increases as a result of the proposals to 59%.

- 2.3 Within this context the analysis has shown, that women are more adversely affected by changes to basic pay than men (albeit not big reductions in monetary terms) and the majority of these women are on the lowest grades, APTC 1/2/3 and 4/5/6. For Teaching Assistants on grades APTC 1/2/3 the differential is slightly reduced when the Teaching Assistant 2 allowance is applied.
- 2.4 Men are more adversely impacted by proposed changes to allowances because currently more men receive additional payments than women and currently men appear to receive higher amounts on average. The underlying reasons are not clear. The Council has a high proportion of females in the workforce many of whom work part time and are more likely to be paid additional hours at plain time (in line with national terms and conditions), whereas those who work full time hours will receive an enhanced rate for their additional hours (over 36 per week), but it may also be that women are not seeking to claim these allowances.
- 2.5 The mean average Gender Pay Gap based on current pay and allowances is slightly above the UK average of 19% at October 16 (EHRC) but falls to 18.04% when calculated on the proposed hourly rate for pay and allowances in the new pay and grading structure, **indicating that the new pay proposals will have a positive impact on the Gender Pay Gap**. This is because the Pay Gap is calculated on pay and allowances.
- 2.6 The analysis does not show any significant impact of the proposals on those from ethnic minority backgrounds when compared to those from a white background.
- 2.7 Similarly the analysis of the impact of proposals on those of different age groups shows that no one age group is more adversely affected than another. The proposals generally favour younger people under 20 when compared to those over 60. This is supportive of a strategy to attract young people to the borough.
- 2.8 The analysis shows that those people who have declared a disability are not disproportionately affected when compared to those who have declared that they do not have a disability.
- 2.9 It will help future equality analyses if more people are encouraged to declare their ethnicity and whether or not they have a disability so that richer data is available. This also applies to other protected characteristics including religious belief that have not been included in this analysis.

Recommendations:

- A. Engage with women and men on low grades to understand the reasons for the high numbers of women earning lower rates of basic pay when compared to men, and address any relevant findings through a workforce strategy for both schools and the Council.

- B. Review all additional allowances to identify whether women receive the additional payments they are entitled to and take action as appropriate.
- C. Prepare a plan to close the Gender Pay Gap. Include actions from A and B above where appropriate.
- D. Continue to encourage people to report their ethnicity, religious belief and disability to enable the Council to address imbalances in the workforce.

3. Introduction

- 3.1 An Equality Assessment is an analysis of a proposed change to an organisational policy to determine if it has a disparate impact, either positively or negatively, on groups with protected characteristics.
- 3.2 In this instance the analysis involves comparing pay data from the old and new pay structures in order to determine the impact of the proposals in relation to gender, ethnicity, age and disability. This review relates both to basic pay and basic pay plus additional allowances both contractual and non-contractual.
- 3.3 The impact has been assessed by:
 - Analysing the numbers and percentages of those affected, positively and negatively, for each protected group, when compared with the impact on the workforce as a whole.
 - Comparing current and proposed average basic pay, to identify the financial impact of the changes on each of the protected groups,
 - Comparing current and proposed average basic pay plus allowances to identify the financial impact of the changes on each of the protected groups.
- 3.4 The impact has been assessed collectively across the Council as a whole and separately by grouping together grades that naturally fit together. The groups that have been used were provided by the Council's HR team. An assessment has also been made of the high level impact of the proposals on allowances alone.
- 3.5 Research for this work includes reference to the Equality and Human Rights Commission website (EHRC), and to London Councils as well as searches on the intranet for examples of other similar work in the public sector.
- 3.6 This report does not include an assessment of how the basic pay line has been drawn or the impact of grade boundaries on any of the protected characteristics.
- 3.7 Equality and Human Rights Commission advice is that pay gaps of 5% or more should be treated as statistically significant, requiring further investigation to identify the cause. Gaps of between 3% and 5% may also be indicative that those with the protected characteristic may be treated differently. This report highlights instances where the difference between the current and proposed basic pay and basic pay and allowances differ by 5% or more for each of the protected groups and provides commentary.

Terms of Reference

- 3.8 The purpose of this Equality Assessment is to analyse, assess and comment on the data provided in relation to the impact of the proposals on each of four characteristics – gender, ethnicity, age and disability.
- 3.9 Other protected characteristics under the Equality Act 2010 have been excluded because of the absence of relevant data.
- 3.10 Public bodies employing more than 250 people are required to report their Gender Pay from 2017 onwards and the Council has taken the opportunity to include its Gender Pay Gap Reporting as part of this analysis. Reporting is required only for the Council's corporate staff. The Council will be able to benchmark its gender pay gap against other London Boroughs when their figures are available later in the year.
- 3.11 It is important to note that the Council's terms and conditions proposals are intended to ensure that no one protected group is disadvantaged more than another as a result of the proposed changes. The proposals do not in themselves seek to improve the current position regarding Gender, Ethnicity, Disability or Age. This will be addressed outside of the scope of the terms and condition review as part of the wider workforce strategy.

4. Gender Context

- 4.1 Havering has a large female workforce. Of the 5,099 employees working for the Council, including schools, 4,000 are female. They make up 78.45% of the workforce. The majority of the Council's female workforce is employed on lower salaries and work in schools. Over 90% of those employed in schools are female.

Female	4000	78.45%
Male	1012	19.85%
Prefer not to say	87	1.70%
Total	5099	100%

Hours

- 4.2 Many women work part time hours, 49% of those working in corporate directorates and 64% of women working in schools are part time workers.

Havering residents

- 4.3 A high percentage of women live in the borough, 80% of those on scale points 1-25 are Havering residents whereas their male counterparts are more mobile, with only 67% of those on scale points 1-25 living in the borough.
- 4.4 The percentage is even higher for schools based staff on scale points 1-25. 90% of females are Havering residents, compared to 72% of males.

- 4.5 At higher grades the gap narrows with fewer women working and living locally. For example at PO4 and above 40% of females working for the Council (excluding schools based staff) are resident in the borough as are 37.7% of males. This may be because these more highly paid women are building careers and are willing and able to travel to do so. The majority if not all of these women are working in corporate directorates.

Length of service

- 4.6 More women than men working in corporate directorates leave their employment after 9 years of service. 19% of women on scale points 1 to 6 have between 5 and 9 years' service, compared to 29% of men on the same scale.
- 4.7 After 10 years the picture changes; 18% of women on scale points 1-6 have 10-14 years' service compared to 12% of men, indicating that men are moving on or progressing their careers whereas women are staying in the workforce.
- 4.8 In the school's workforce the proportion of men and women with 5-9 years' service is very similar at around 19%, but of those employees with 10 -14 years' service 16% are women compared to only 10% of men. Women with 10 years and more service tend to remain in the workforce whereas after 10 years male presence falls and continues to do so indicating that schools are not retaining their non-teaching male staff.
- 4.9 The profile of the workforce is provided by way of context. The impact of the proposals as set out below shows that women are more adversely affected by the changes to basic pay than men, whereas men are more adversely affected by changes to basic pay and allowances.
- 4.10 This is not necessarily about pay differentials alone and may in part be due to an absence of opportunity and lifestyle choices that women and men make, for example women preferring to work part time hours and men looking to supplement their pay with overtime and other additional payments. The Council needs to engage with men and women to understand the reasons and to develop a workforce plan that will address lack of opportunity if relevant.

5. Analysis - Gender

Basic Pay - Numbers and proportions affected by the changes.

- 5.1 An analysis has been carried out of the numbers and proportions of people whose proposed basic pay is higher than their current basic pay (green circles), the same as their current basic pay (white circles) and those whose proposed basic pay is less than their current basic pay (red circles).
- 5.2 As might be expected in an exercise where the objective is to move to a new pay and grading system whilst delivering a saving, the majority of both males and females are unaffected by the proposed changes to basic pay - 69% of males and 63% of females are unaffected by the proposals to change basic pay.

- 5.3 Of the group who are positively affected by the proposals, 16.4% are men and 13.2% women. They will receive an increase in their basic pay as a result of these proposals.

	Men	Women
Positively affected (Greens)	16.4%	13.2%
No change to basic pay	69%	63%
Total % who will receive the same or more basic pay.	85.4%	76.2%

- 5.4 Of the group that is adversely affected, red circles, women are more adversely affected than men – 23% of females will be worse off as a result of the proposals whereas only 16% of men will be adversely affected.
- 5.5 In particular, women on grades APTC 1/2/3 are more adversely affected, 11.3% of women are adversely affected compared to 1.38% of males. The Council has recognised that there are difficulties in differentiating Teaching Assistant grades through job evaluation and has proposed an additional payment of £465pa to all Teaching Assistants 2 on Grade 2. This is an additional contractual allowance given on top of basic pay pro rata to the hours worked. This allowance goes some way towards offsetting the difference reducing the percentage of women who are adversely affected to 9.8% compared to 1.38% of men.
- 5.6 Women on grades APTC 4/5/6 are also more adversely affected than men. However the differential is not as large as for grades APTC 1/2/3. 7% of women on grades APTC 4/5/6 are adversely affected compared to 4% of men.

Basic Pay - Financial Impact.

- 5.7 The financial impact is most appropriately identified by comparing average basic pay by gender and by grades. If the gender pay gap is 5% or more this is significant, requiring further investigation. Gaps of between 3% and 5% could also be worthy of investigation.
- 5.8 In overall terms there is little change in the average basic pay for both males and females when current basic pay is compared to proposed basic pay. Women will receive 99.5% of their current basic pay under the proposals (after the TA2 allowance is added) and men will receive 99.4% of current basic pay. The grade that is most impacted by the changes is LPO 7/8. Men will receive 97.1% of their current basic pay and women 98.1% of their current basic pay.
- 5.9 Whilst the impact of the proposals is small, and similar for both men and women, there is a significant difference in the amount that women earn as a percentage of men's basic pay. Women currently earn on average 59.4% of men's basic pay. This differential is evident for all grade groupings and is the highest for grades APTC1/2/3 where women receive 48.2% of men's basic pay currently and will receive 48.6% in the proposed pay and grading system. This

inherent pay difference overshadows the differences that arise as a result of these proposals.

- 5.10 In financial terms women on grades APTC 1/2/3 will be on average £13 a year better off as a result of the proposals, whereas men will be on average £145 a year better off. This difference is largely attributable to the current difference in men's basic pay compared to women. The current average female basic pay is £6,302 compared to £12,852 for men. Under the proposals women's basic pay will increase to £6,315 and men's to £12,997. As a result small increases in basic pay make a bigger financial difference to men compared to women.
- 5.11 The pay gap is larger at APTC 1/2/3 than any other grade. When the pay gap is calculated for Gender Pay Gap reporting purposes (see 6.5 below) it is based on the mean average hourly rate including allowances, but not including overtime. The omission of overtime may reduce the gender pay gap, because few women on low grades will be entitled to overtime rates for working additional hours. The majority will receive plain time for additional hours. The Council should take action following the introduction of these pay proposals to identify the reasons for the fundamental differences in basic pay between men and women and take appropriate action based on the outcome.

Basic Pay and Allowances – Numbers and proportions affected.

- 5.12 More women than men are unaffected by changes to basic pay and allowances (total package) than men. Over half of all women (51%) will see no change compared to just 36% men.
- 5.13 Of the group who will receive an increase in basic pay and allowances as a result of the proposals 11.35% are women and 11.7% are men.

	Men	Women
Positively affected (Greens)	11.7%	11.35%
No change to total package	36%	51%
Total % who will receive the same or more total package.	47.7%	62.35%

- 5.14 Of those who are negatively affected by the changes 52% are men compared to 38% who are women. When the impact of the proposals is assessed by grade men and women on grades APTC 1/2/3 are equally impacted by the proposals. At grades APTC 4/5/6, 15% of men are adversely affected by changes to the total package compared to 11% of women.
- 5.15 These changes are probably a reflection of the higher levels of allowances which are paid to higher numbers of men than women.

Financial Impact – Basic Pay and Allowances.

- 5.16 Generally men are more adversely affected than women. On average men are £490 worse off whereas women are £129 worse.
- 5.17 Men on Grades APTC1/2/3 will be on average £293 worse off whereas women will be on average £40 worse off. Men on grades APTC 4/5/6 will be on average £586 a year worse off whereas women will be on average £162 a year worse off.

Allowances

- 5.18 A review of the impact of changes to allowances shows that the difference between the amounts that men receive when compared to women is high. For example:
- Overtime payments - non Contractual planned hours. Women's pay is currently 53% of men's pay and the proposals will result in their receiving 50% of men's pay.
 - Contractual Market Supplements. Currently women's payments are 56.33% of men's payments and under the proposals this will increase to 57.93%.
 - Additional hours payments – non contractual. Currently women's pay is 27.73% of men's pay and this will rise to 30.3% with the new proposals.

The differentials in these payments are significant and evident in many more examples including honoraria, car user allowances, night work allowances etc. Some of the differences may be explained by the nature of the roles or lifestyle choices.

- 5.19 In conclusion there are inherent pay differences in the basic pay system and currently women on average earn only 59.4% of men's basic pay. Women see no improvement in the basic pay they earn as a percentage of men's basic pay as a result of the proposals to change basic pay. Conversely in relation to pay and allowances women currently earn 58.3% of men's pay and this increases as a result of the proposals to 59%. Men are more adversely affected by changes to pay and allowances. This is because more men receive additional payments than women and men appear to earn higher amounts. The Council should engage with women following this review to understand the differentials in pay particularly for women on the lowest grades. The Council should at the same time prioritise a review of additional payments to find out why women are receiving less than men and build actions into its workforce strategy. This will help to reduce the Gender Pay Gap. (Recommendation A, page 2)

6 Gender Pay Gap

- 6.1 The EHRC defines the gender pay gap as 'a measure of the difference between men's and women's average earnings across the organisation expressed as a percentage of men's earnings'.

- 6.2 In England there is a gender pay gap of 19% which means that on average women earn 80p for every £ that men earn (October 2016 EHRC).
- 6.3 From 2017 the Council, as an employer of more than 250 people, is required to publish and report specific figures about the gender pay gap. This must include:
- The mean gender pay gap in hourly pay
 - The median gender pay gap in hourly pay
 - The mean bonus gender pay gap
 - The median bonus gender pay gap
 - The proportion of males and females receiving a bonus payment
 - The proportion of males and females in each pay quartile.
- 6.4 The pay gap has been calculated from figures provided from the Council's HR system in line with the requirements set out by the government for gender pay gap reporting. Pay includes allowances other than overtime. For the purpose of reporting the pay gap schools have not been included. Havering Council does not make bonus payments to staff and there is therefore a 'nil' return against these requirements.
- 6.5 The table below shows the gender pay gap based on current and separately proposed total pay including allowances but excluding overtime. **The average gender pay gap reduces as a result of the proposed changes to pay and is below the UK average.**

Mean Gender Pay Gap – hourly rate (Current Pay and Allowances)	Median Gender Pay Gap – hourly rate. Current Pay and Allowances	Mean Gender Pay Gap hourly rate (Proposed Pay and Allowances)	Median Gender Pay Gap – hourly rate Proposed Pay and Allowances	Mean Bonus Gender Pay Gap	Median Bonus Gender Pay Gap
19.72%	23.3%.	18.04%	19.4%.	Nil	Nil

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
Male	6.91%	15.76%	23.61%	33.10%
Female	92.78%	83.06%	74.51%	63.45%

- 6.6 The quartile figures show the percentage of men and women in each quartile. As might be expected the percentage of women in quartile 1 which is the lowest paid is very high at 92.78%. The percentage of females in quartile 4 at 63.45% is slightly below the female workforce average of 67%. There is opportunity to encourage more women to develop into the highest paid roles.
- 6.7 Some of the reasons for the gender pay gap arise from large numbers of females on low grades and imbalance in the numbers and amounts of additional payments made to men and women.

- 6.8 However the Gender Pay Gap is not only a reflection of pay differences but may also be a reflection of lack of opportunity extended to women for career progression, and/ or lifestyle choices made by women and men.
- 6.9 Looking to the future, following this impact assessment the Council should undertake further work and engagement with the workforce and build the outcomes of that into its future workforce strategy and plans. (Recommendation A page 2).
- 6.10 In conclusion the mean gender Gender Pay Gap is currently slightly above the UK average at October 2016 but falls to 18.04% which is below the UK average when calculated based on the proposed hourly rate for pay and allowances. The Council is recommended to engage with women in the workforce to determine whether the reasons for the pay gap are in part attributable to lifestyle choices made by women. The Council is also recommended to review allowances to determine whether women are receiving the payments they are entitled to.**

7. Analysis – Ethnicity

The table below shows the profile of the Council's workforce by ethnicity.

	No.	%
White British	2636	51.69%
White Other	85	1.66%
Black	111	2.17%
Asian	65	1.27%
Mixed	21	0.41%
Any other	20	0.40%
PNTS/Not specified	2161	42.38%
Total	5099	100%

- 7.1 The percentages of ethnic minority groups in the workforce who have declared their ethnicity is very low, being 4.2% of the total workforce and 8% of the workforce who are White British or White Other.
- 7.2 When analysed by grade only 89 people on grades APTC1/2/3 and 4/5/6 have declared their ethnicity as other than white.
- 7.3 These small numbers need to be kept in mind when drawing conclusions from the data.

Basic Pay – Numbers and proportions affected.

- 7.4 The majority of people will see no change to their current basic pay as a result of the proposals. The proportions range from 60% of Asian employees to 76% of white others who will all see no change to their basic pay as a result of the proposals.

- 7.5 Asian employees are the most positively affected by the proposals. 11% of all Asian employees are positively affected.
- 7.6 However because of the low numbers of people who have declared their ethnicity it is difficult to draw any conclusions from those who are positively and negatively affected.

Basic Pay – Financial Impact.

- 7.7 The financial impact of the proposed changes has been analysed by comparing the current average pay for ethnic minority groups as a whole to the average pay of the white groups (English and White other). This shows that in overall terms ethnic minority groups earn more on average and that their percentage pay is largely unchanged when compared to that of the white groups in the new pay structure.

	Ethnic minority groups average pay (excluding PNTS)	White group's pay	Minority groups pay as a % of white group's pay.
Current average pay	£24,884	£17,864	139.3%
Proposed average pay	£24,658	£17,742	138.98%

- 7.8 When broken down by grade groupings the percentage difference between current and proposed pay of each minority group is less than 3%, with a few exceptions of small numbers of people of different ethnicity on PO grades who will be worse off by more than 5%.

Basic Pay and Allowances – Numbers and proportions affected.

- 7.9 The percentages of people who will be positively affected by the changes is low, 15% or less for all groups including those who preferred not to state their ethnicity.
- 7.10 More people are affected by changes to basic pay and allowances than are affected by changes to basic pay alone. Only 52% of white others and 45% of Asian employees will see no change to their basic pay and allowances.
- 7.11 A significant proportion of mixed race employees, 76%, will be adversely impacted as a result of the proposals, although their numbers are low, being 16. The Council may wish to give further consideration to the impact on this group.

Basic Pay and Allowances – Financial Impact.

- 7.12 The impact of the proposed changes is set out below. Generally minority groups do better than white groups as a result of the proposals.

	Ethnic minority	White	Minority groups pay as a
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	group's pay (excluding PNTS)	group's pay	% of white groups pay.
Current average pay & allowances	£25,854	£18,586	139.11%
Proposed average pay & allowances	£25,409	£18,306	138.8%

7.13 As with basic pay when analysed by grade groupings there are small numbers of higher paid individuals, on PO grades who are significantly impacted by the proposals. The majority of people will see very little change in their basic pay and allowances.

7.14 In conclusion the majority of employees of different ethnic minority backgrounds will see no change in their basic pay and basic pay and allowances as a result of the proposals. A small number of people from different ethnic backgrounds who are on higher pay grades are more negatively affected by the proposals. The number of people who have declared their ethnicity is low and this makes it more difficult to fully reflect the impact of the changes on those of different ethnic backgrounds.

8. Analysis – Age

8.1 The analysis has been carried out by comparing the average basic pay of staff on current and proposed basic pay by age range, and by comparing current and proposed basic pay and allowances by age.

The table below shows the profile of the Council's workforce by age.

	No	%
Under 20	46	0.87
20-30	408	8.01
30-40	855	16.78
40-50	1466	28.75
50-60	1671	32.77
Over 60	653	12.82
Total	5099	100%

Basic Pay – Numbers and proportions affected.

8.2 The majority of people across all age groups see no change to their basic pay as a result of the proposals. The proportions of people who see no change are very similar for most age groups, ranging from 64%-68% other than those who are under 20. A very high percentage of those under 20, including apprentices, that is 91% of people under 20, will see no change to their basic pay as a result of the proposals.

- 8.3 The proportions of people who are positively and adversely impacted by the proposals are also evenly distributed across the age ranges, 10%-14% of those aged 30 – 60 are positively affected and 20%-26% of the same age groups are adversely affected.

Basic Pay- Financial Impact.

- 8.4 In overall terms when analysed by age all staff will receive almost 100% of their basic pay in the proposed pay structure. Those employees under the age of 20 and over the age of 60 will do best.

	Under 20 (23 people)	20-30 (57 people)	30-40 (53 people)	40-50 (66 people)	50-60 (78 people)	Over 60 (77 people)
% of current basic pay received in the proposed structure.	100.48 %	99.93%	99.79%	99.43%	99.06%	99.92%

- 8.5 When analysed by grade groupings 7 people who are over 60 on grades PO7/8 do not do as well. They will receive on average 92.2% of their current basic pay.

Basic Pay and Allowances – Numbers and proportions affected.

- 8.6 Those aged under 20 do relatively well as a result of the proposals. 72% are unaffected by the proposed changes and 9% are positively affected. Conversely the over 60's do not do as well, 44% are unaffected and 8% are positively impacted.
- 8.7 For those aged 30-60 fewer will see no change to their basic pay and allowances than the proportions who see no change to their basic pay. Between 45% and 51% of those aged 30-60 will see no change to their basic pay and allowances. Between 9% and 15% of those aged 30-60 are positively affected.

Age	Positively affected	No change	Negatively affected.
Under 20	9%	72%	19%
20-30	20%	48%	32%
30-40	15%	48%	37%
40-50	11%	51%	38%
50-60	9%	45%	46%
Over 60	8%	44%	48%

Basic Pay and Allowances – Financial Impact.

- 8.8 The table below shows the impact of the proposals. There is very little difference in the impact of the proposals on those of different ages.

	Under 20 (23 people)	20-30 (57 people)	30-40 (53 people)	40-50 (66 people)	50-60 (78 people)	Over 60 (77 people)
% of current pay & allowances received in the proposed structure.	100.23%	99.58%	99.15%	99%	98.43%	97.39%

8.9 The under 20's do well receiving 100.23% of their current basic pay and additional payments whilst the over 60's do worse receiving 97.39% on their current basic pay and allowances.

8.10 Small numbers of employees on higher PO grades who are over 60 will receive a reduction of more than 9% on their basic pay and allowances in the new structure. These again are small numbers of people on relatively high salaries.

8.11 In conclusion the majority of people, of all ages, see no change to their basic pay and basic pay and allowances as a result of the proposals. Younger people under 20 do better as a result of the proposals than those who are aged over 60. Small numbers of employees on higher pay grades who are over 60 are more adversely affected than others by the proposals.

9. Analysis – Disability

9.1 The analysis has been carried out by comparing the average percentage basic pay, and basic pay and allowances, of people who have declared a disability with the average percentage basic pay of those who have declared that they do not have a disability. The table below shows the profile of the Council's workforce.

	No	%
Number of people who have declared a disability	105	2
Number of people who have declared they do not have a disability	607	12
Number of PNTS/Not Specified	4387	86
Total	5099	100%

Basic Pay – Financial Impact.

9.2 There appears to be little impact of the proposals to change basic pay on those who have declared a disability. They will on average receive 99.72% of their current basic pay if the proposals. This is very similar to the impact on those people who have declared that they do not have a disability, who will on average receive 99.23% of their current basic pay.

Basic Pay and Allowances – Financial Impact.

- 9.3 The picture is similar for basic pay and allowances. Those who have declared a disability will on average receive 98.45% of their current basic pay and allowances if the Council adopts the new pay and grading system. Those who declared that they do not have a disability will on average receive 98.62% of their current basic pay and allowances.
- 9.4 In conclusion there is little impact of the proposals on those who have declared a disability compared to the impact on those who have declared that they do not have a disability. As with ethnicity the percentages of people who have declared whether or not they have a disability are very low. The majority 86% have either preferred not to say or not specified. It will help future impact assessments if people are encouraged to declare whether or not they have a disability.**

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June 2017.
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T&C REVIEW

COMMUNITY/VOLUNTARY CONTROLLED SCHOOLS

ARDLEIGH GREEN JUNIOR
ARDLEIGH GREEN INFANT
BRADY PRIMARY
BRANFIL PRIMARY
BROADFORD PRIMARY
CLOCKHOUSE PRIMARY
CROWLANDS PRIMARY
CROWNFIELD JUNIOR
CROWNFIELD INFANT
DAME TIPPING C.E PRIMARY
ELM PARK PRIMARY
ENGAYNE PRIMARY
GAYNES SCHOOL
GIDEA PARK PRIMARY
HACTON PRIMARY SCHOOL
HAROLD COURT PRIMARY
HAROLD WOOD PRIMARY
HILLDENE PRIMARY
HYLANDS PRIMARY
LANGTONS INFANT
MEAD PRIMARY SCHOOL
THE RJ MITCHELL PRIMARY
NELMES PRIMARY
NEWTONS PRIMARY
JAMES OGLETHORPE PRIMARY
PARKLANDS JUNIOR
PARKLANDS INFANT
PARSONAGE FARM PRIMARY
RAINHAM VILLAGE PRIMARY
SCARGILL JUNIOR SCHOOL*
SCARGILL INFANT SCHOOL*
SCOTTS JUNIOR PRIMARY SCHOOL
SQUIRRELS HEATH JUNIOR SCHOOL
SQUIRRELS HEATH INFANT SCHOOL
SUTTONS PRIMARY SCHOOL
TOWERS JUNIOR SCHOOL
TOWERS INFANT SCHOOL
WHYBRIDGE JUNIOR*
WHYBRIDGE INFANT
WYKEHAM PRIMARY

*Note: All schools that transfer to Academy status on or before 1st September 2017 will not be included in the scope of implementation of the T&C changes approved by Governance Committee

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GREATER LONDON PROVINCIAL COUNCIL JOB EVALUATION SCHEME

2000

The following pages outline the Greater London Provincial Council Job Evaluation Scheme, introduced in 2000, together with a set of factor weightings and price tag

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GLPC

FACTORS

Factor	%Points
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JOB REQUIREMENTS

Supervision/Management of People	10.5
Creativity and Innovation	10.5
Contacts and Relationships	15.4
Decisions	10.5)
Discretion	6.3) 16.8
Consequences	5.3)
Resources	5.3

WORK ENVIRONMENT

Work Demands	4.2)
Physical Demands	2.5) 12.5
Working Conditions	2.5)
Work Context	3.3)

KNOWLEDGE & SKILLS	28.9
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SUPERVISION/MANAGEMENT OF PEOPLE

Introduction and Objectives

This factor measures the degree of responsibility for the supervision/management of employees and others for whose work the post can be considered directly accountable and in particular the qualitative aspects of supervision/management of staff.

To score Levels 3 and above the post will have full permanent accountability on all elements of supervision/management including: accountability for quality and quantity of work; the extent to which a range of activities requires co-ordination and the complexity of such activities; discipline; welfare; training and development. An exception to this is the application of this factor to Contract/Non-direct staff; see (iii) below.

The assessment of posts must not reflect the particular supervisory/management style of an individual postholder, nor problems which arise from personality difficulties with or among subordinates.

In the context of this factor "a group of employees" must consist of more than one person.

Aspects of Supervision/Management

i) Dispersal of staff

Consideration should be given in all cases to whether full accountability exists, the inherent difficulties to the work being supervised/managed, and the level of difficulty of supervision/management. In particular, where supervision/management is made more difficult because of the wide physical dispersal or mobility of staff, an additional 6 points shall be added to the factor; these additional points can only be applied up to and including Level 5.

ii) Deputising

A post with a deputising role would not automatically be assumed to have full supervisory/managerial responsibility for posts which it supervises/manages only as a deputy.

iii) Contract/Non-direct Staff

Where the duties and responsibilities of a post require aspects of supervision/management of voluntary workers or contractors' staff, including the regular monitoring and issuing of directions and instructions, an award may be considered under this factor. Such an award would be at least one factor level less than would be awarded for the full supervisory/managerial responsibility of direct staff.

iv) Flexible or variable working arrangements

The determination of the number of staff supervised/managed shall be on the basis of the actual numbers of staff employed. Part-time, job share and full-time staff should be treated equally on this basis. Recurring supervision/management of temporary staff or seasonal variations should be averaged on an annual basis.

Factor Levels

1. Little or no supervisory responsibility other than assisting in work familiarisation of peers and new recruits.
2. Some supervisory responsibility for temporarily assigned or shared employees including on the job training or the allocation and checking of work for quality and quantity.
3. Direct supervision of at least one employee carrying out tasks in one identifiable area of work or, for example, work of a project nature.
4. Supervision/Management of a group of employees undertaking tasks either in the same general area of work or, for example, work of a project nature.
5. Management of more than one group of employees carrying out diverse tasks in the same general type of work.
6. Planning, co-ordination and management of groups of employees carrying out work across a wide range of different activities.
7. Planning, co-ordination and management of groups of employees carrying out work across a range of major functions.

CREATIVITY AND INNOVATION

Introduction and Objectives

This factor considers the extent to which the work requires innovative and imaginative responses to issues and in the resolution of problems.

It assesses the details, implications, variety, and complexity of problems, the recognition and interpretation of evidence, consideration of alternatives and development of solutions.

All public sector work is to a greater or lesser extent carried out with regard to the broad policy objectives of the organisation concerned. The purpose of this factor is to measure the degree of creativity required to ensure the satisfactory completion of the individual function, task, etc.

The fullest range of potentially creative work should be taken into account. This can be exercised in a number of ways including, for example: caring and counselling; design and application of information technology systems and programmes; creation and planning of menus; repair and maintenance of hard and soft landscapes, buildings, plant and machinery; cleanliness and well-being of the environment; preparation of specifications and tenders; preparation of plans and drawings; development and implementation of policy, practice and procedures; and in the use of the written and spoken word.

Account should not be given under this factor to any decision-making element which may be involved in the exercise of creativity. This is more appropriately measured under the Decisions factor.

Factor Levels

1. Work with very limited opportunity for creative or innovatory thinking.
2. Work largely regulated by laid down procedures, but needing occasional creative skills to deal with routine problems.
3. Creativity is a feature of the job but exercised within the general framework of recognised procedures.
4. Creativity and innovation are essential to the job and need to be regularly exercised within general guidelines.
5. Work which requires a range of imaginative solutions or responses and involves application of fresh and innovatory thinking.
6. Work which requires creative and innovative input in a number of diverse subjects and range of expertise where the opportunity and need for imaginative thinking is not limited by defined policies.
7. Work carried out in new and challenging situations frequently involving innovatory response on diverse subjects which have extensive policy or service implications.

CONTACTS AND RELATIONSHIPS

Introduction and Objectives

This factor measures the degree of personal contact and appraises the nature of the relationships with other people which are required to be maintained by the postholder in the course of the job.

Relationships may involve dealing with the physical, mental, social, financial and environmental well being of clients.

Contacts must play a significant part in the duties of the job and be frequently made. The regular contact requirements are the level which should be assessed. Rare exceptional levels of contact will not normally be assessed unless they can be shown to be a significant role of the job.

The purpose, content, potential outcome and conflict/stress of a contact are more important factors than the status of the person or organisation with whom the contact is made. Where employees undertake contacts in well-recognised, defined terms of reference, this must be borne in mind in making the assessment. Cognisance should be given under this factor to employees regularly dealing with situations of rudeness and abuse in the course of their work.

Contacts may involve customer/client services; caring; assessing; supporting; evaluating; advising; fact-finding; interviewing; developing, motivating, influencing, persuading, negotiating, providing or obtaining information. These activities may be present at all levels in this factor.

Account should not be given under this factor to any decision-making element which may be involved in contacts. This is more appropriately measured under the Decisions factor.

Factor Levels

1. Routine or incidental contacts involving exchange of information on non-contentious matters.
2. Contacts on well established matters providing readily available information or assistance, or occasionally dealing with issues where the outcome may not be straightforward.
3. Issues generally not contentious, but where the outcome may not be straight-forward. Within the Council, the advice or guidance would relate to issues which are less well established. Alternatively outside contacts would involve identifying details of service needs, assessment and initiating action to provide assistance, offering straightforward advice or delivering more comprehensive support and/or care.
4. Situations where the content and outcome are not straightforward or well established and could involve more detailed assessment, planning, evaluation, care and assistance. Some authority in the provision of services is required.
5. Some matters are likely to be contentious or complex requiring support, tact, persuasion and sensitivity, within the application of operational guidelines. The outcome will have a material effect, including care, on the person, service or organisation contacted.
6. Dealing with a range of complex and contentious matters requiring support, persuasion, advocacy and sensitivity, within the application of operational guidelines. The outcome will have significant implications, including care, for the contact or the service.
7. Regularly dealing with a range of complex and contentious matters requiring a consistently high degree of support, persuasion and advocacy and an awareness of the Council's major policy objectives. The outcome will have substantial implications for the contact or the Council. The post holder may act on behalf of the Council.
8. Advising the Council on high level complex matters with major implications for the contact/s or organisation contacted, or which require a responsibility to act on behalf of the Council and commit the authority to a course of action involving a substantial impact on resources. It would be expected that the expert guidance would be accepted and only overruled as a result of a change in policies.

DECISIONS

Introduction and Objectives

This factor considers both the requirement to make decisions or recommendations as a regular feature of the work and the consequences of those decisions or recommendations. The degree of supervision over the postholder will also need to be considered.

The Discretion Sub-Factor will assess the need to make choices, the accountability for the outcome, the constraints upon decisions and the availability of guidelines, advice, precedents, regulations and procedures which will determine the extent of discretion.

The Consequences Sub-Factor will assess the nature of the consequences or outcome of the decisions which will be considered in terms of the effect upon people, property, finance, budgets, policies, objectives, targets, etc. both inside and outside the department or the authority.

In assessing the elements of decision-making in a job the aspects relating to the discretion and the consequences should be clearly identified and assessed separately under the respective sub-factors.

Direct decisions are those where action is taken without reference to a higher authority. Recommendations are treated as decisions where action is recommended to a higher authority within the organisation or to another department which is accountable for making the direct decisions. Normally recommendations carry less accountability than direct decisions. Where the job requires a regular involvement with working parties or other similar groups making collective decisions, it is necessary to identify the actual role played by the post.

It must be stressed that the decisions or recommendations must be part of the regular pattern of the work of the post.

Factor Levels

Discretion

1. Post requires little freedom to act, work is carried out within clearly defined rules or procedures and advice is available if required.
2. Work is carried out within clearly defined rules and procedures involving decisions chosen from a range of established alternatives.
3. Work is carried out within programmes and objectives where there is a wide range of choices and where advice is not normally available and/or decisions where policy, procedures and working standards provide only general guidelines.
4. Decisions which lead to the setting of working standards in the provision of operational services and/or decisions leading to changes in important procedures or service practice.
5. Posts which have a major responsibility for monitoring and evaluating important policy, service practice and provision affecting a whole service, for making recommendations for change and for managing their implementation.
6. Posts which have a continuing responsibility for reviewing important policy, service practice and provision affecting the whole Council, for making recommendations for change, managing the implementation and following up and dealing with the implications of the change.

Consequences

1. Decisions which have a limited and short-term effect on employees beyond immediate colleagues or on the public. Effects of decisions would be quickly known and readily amended if necessary.
2. Decisions which have a material effect on the internal operations of the post's own or other departments or on the individual or on the provision of service to the public.
3. Decisions which have significant implications for the service or significant effects on employees or other individuals or other organisations.
4. Decisions which have a major impact on service provision, the public or other organisations.
5. Decisions which have a major impact on the Council's policies and activities across a number of departments or on large numbers of people or on organisations in receipt of the Council's services.

RESOURCES

Introduction and Objectives

This factor assesses personal and identifiable accountability for physical and financial resources including those of clients. Account should be taken where the responsibility is less than continuous or complete.

This accountability will involve the handling and the security, safekeeping, proper use, and/or repair and maintenance of the resources. It will also include less than advanced tasks arising out of the substantial use and manipulation of information technology and equipment.

The factor covers the extent of responsibility for the proper handling, care, security and maintenance of equipment, plant, buildings, and materials, which will include data and record systems whether manual or electronic. It also measures the direct accountability for the security and safekeeping of cash, cheques and other securities.

These responsibilities include the physical and financial resources of clients as well as those of the employer.

Factor Levels

1. Little or no responsibility for physical or financial resources.
2. Responsible for the proper use and safekeeping of hand tools, small items of equipment and low cost materials or for the accurate handling and security of small sums of cash and cheques or financial resources.
3. Responsible for the proper use and safekeeping of smaller plant, vehicles, machinery and higher cost materials or for the accurate handling and security of larger sums of cash and cheques or other financial resources.
4. Responsible for the proper use and safekeeping of larger vehicles and larger items of plant and machinery or of high value stocks and supplies or for the accurate handling and security of large sums of cash and cheques or other financial resources.
5. Responsible for the proper use and safekeeping of major physical resources or other financial resources.

WORK ENVIRONMENT

Introduction and Objectives

This factor considers four elements characterising the environment within which the work is carried out; work demands, physical demands, working conditions and work context. The elements are to be assessed separately.

There is always the assumption that the Council's procedures and safe working practices under health and safety legislation have been strictly adhered to.

Work Demands

This element considers the impact of deadlines, the frequency and suddenness of demands for changes between work, communication problems, and the resolution of conflicting resource needs and priorities on the work of the post holder

Physical Demands

This element considers the amount and continuity of physical effort required. For example bending, crouching, keyboarding, lifting, lowering, pressing, pulling, pushing, rolling, standing, stretching, walking, working in constrained positions. It also covers manual dexterity where the speed and accuracy or consistently high use of IT equipment is a valid requirement of the job.

Working Conditions

This element considers the exposure to disagreeable or unpleasant working conditions present in the physical environment. The frequency of the exposure and its nature need to be evaluated. This would include for example, dirt, dust, lighting, inclement weather, noise, ventilation, vibration and disagreeable and unpleasant working conditions associated with caring responsibilities. Consideration must also be given to the possibility that the job holder may be unable to take shelter without prejudicing operational needs.

Work Context

This element considers the potential risk to health and general well being of illness and injury, emotional as well as physical inherent in the job, including abuse, aggression and risk of injury from the public.

It is assumed that boroughs have ensured that appropriate assessments of risk have been undertaken and hazardous conditions avoided or reduced as far as practicable.

Factor Levels

Work Demands

1. Work where tasks are interchanged but the programme of tasks is not normally interrupted.
2. Work subject to interruption to the programme of tasks but not involving any significant change to the programme.
3. Work subject to deadlines involving changing problems, circumstances or demand.
4. Work subject to deadlines involving frequently changing circumstances and conflicting priorities.
5. Work subject to constant change and the management of conflicting priorities and deadlines.

Physical Demands

1. Work requiring normal physical effort.
2. Work requiring normal physical effort with periods of substantial effort; or normal physical effort occasionally in awkward postures; or prolonged effort in a constrained position involving considerable manual dexterity.
3. Work requiring substantial physical effort with short periods of intense physical effort; or normal physical effort regularly in awkward postures.
4. Work regularly requiring intense physical effort; or lengthy periods of substantial physical effort in awkward postures.

Working Conditions

1. Work normally performed in a heated, lit and ventilated indoor environment; may be exposed to occasional noise or outside conditions.
2. Work includes significant elements of inside or outside work involving some exposure to moderate noise, heat, cold, disagreeable or difficult surroundings/conditions.
3. Majority of work performed outside involving exposure to all weather conditions or exposure inside or outside to considerable noise or dirty or difficult or disagreeable and unpleasant surroundings/conditions.
4. Working continuously outside involving exposure to all weather conditions or exposure inside or outside to continuous noise or work in dirty or very disagreeable and unpleasant surroundings/conditions.

Work Context

1. Work involves minimal risk to personal safety of injury, illness or health problems arising from the environment or the public/clients.
2. Work potentially involves some risk to personal safety of injury, illness or health problems arising from the environment or the public/clients.
3. Work potentially involves moderate risk to personal safety of injury, illness or health problems arising from the environment or the public/clients.
4. Work potentially involves a substantial risk to personal safety of injury, illness or health problems arising from the environment or the public/clients.

KNOWLEDGE & SKILLS

Introduction and Objectives

This factor measures knowledge and skills, in their broadest sense, in relation to the work or discipline required by any job covered by the Scheme, and which are necessary for the competent performance of the full duties and responsibilities of the job.

These may include technical, professional, operational or specialist disciplines as well as caring, interpersonal, literacy and linguistic skills, diplomacy, sensitivity, tact, dexterity, numeracy, knowledge of equipment and machinery, operational techniques, concepts, theories, procedures, and communications and management skills. These considerations will apply at all levels of this factor.

In the context of this factor a function is defined as a work area and a specialist discipline as a discrete body of knowledge or skills.

While the cumulative knowledge and skills of a particular job holder are not especially relevant to the evaluation of a post, it may be a useful guide in demonstrating that at every level knowledge and skills can be acquired in different ways, through formal education/training; informal education/training; socially acquired skills; practical experience within a similar job or work area; and/or practical experience in a dissimilar but relevant work area.

This factor recognises an initial, introductory level of practical understanding of the immediate work environment, systems and procedures, together with a continuing updating of the relevant level of knowledge and skills.

Factor Levels

1. Ability to undertake work consistent with a basic knowledge and skills requirement, which involves a limited range of tasks that can be carried out after initial induction.
2. Ability to undertake work consistent with a comparatively basic knowledge and skills requirement, which encompasses a range of tasks involving application of readily understood rules, procedures or techniques.
3. Ability to undertake work concerning more involved tasks confined to one function or area of activity, which requires a good standard of practical knowledge and skills in that area of activity.
4. Ability to undertake work of a variety of advanced tasks, confined to one function or area of activity, which requires detailed knowledge and skills in a specialist discipline.
5. Ability to undertake work of a range of advanced activities:

EITHER
applying to more than one function which requires detailed knowledge and skills in a specialist discipline;
OR
applying to one function which requires detailed knowledge and skills in more than one specialist discipline.
6. Ability to undertake work of a complex nature which requires:

EITHER
detailed knowledge and skills in a diverse range of specialist disciplines;
OR
advanced/high level knowledge and skills in a specialist discipline.
7. Ability to undertake work of a more complex nature, which requires advanced/high level knowledge and skill across a range of specialist disciplines.
8. Ability to undertake work of a highly complex and diverse nature, which requires advanced/high level knowledge and skills in a range of specialist disciplines.

POINTS WEIGHTING

FACTOR	Level							
	1	2	3	4	5	6	7	8
Supervision/Management of People			see matrix					
Creativity and Innovation	28	40	52	64	76	88	100	
Contacts & Relationships	20	38	56	74	92	110	128	146
Decisions - Discretion	20	36	52	68	84	100		
Consequences	12	24	36	48	60			
Resources	10	20	30	40	50			
Work Environment - Work Demands	8	16	24	32	40			
Physical Demands	6	12	18	24				
Working Conditions	6	12	18	24				
Work Context	8	16	24	32				
Knowledge & Skills	48	80	112	144	176	208	240	272

SUPERVISION/MANAGEMENT OF PEOPLE:

Number of People Supervised/ Managed

In any assessment see 'Supervision/Management of People Introduction and Objectives' for:
(a) the calculation of number of staff supervised; (b) the recognition of less than full supervision/management; and (c) a possible plussage for dispersed subordinates.

The following matrix sets the limits of a reasonable relationship between the factor level and the number of people supervised/managed and should be used in assessing these factors. In assessing this factor the factor points should be calculated.

- on the basis of the factor level.
- then apply the relevant number column in the matrix.
- add any additional relevant plussages* where applicable.

FACTOR LEVEL	UP TO 5 STAFF	6-15 STAFF	16-49 STAFF	50+ STAFF
1*	16	-	-	-
2*	28	34	-	-
3*	46	52	58	-
4*	58	64	70	76
5*	64	70	76	82
6	-	82	88	94
7	-	-	94	100

* An additional six points for 'dispersal' may be awarded where applicable.

GALEPC



Job Evaluation Scheme

The Factor Plan

Criteria 1 – Knowledge Requirement

- Technical depth
- Breadth and diversity of service managed
- Integration with other organisations

Criteria 2 – Creative Thinking Required/Policy Direction Involved

- Nature and variety of problems
- Planning timescales and scope to develop new solutions
- Level of discretion

Criteria 3 – Impact on People/Organisation(s)

- Nature of impact – effect of job across the organisation and community
- Managerial responsibility

Criteria 4 - Responsibility for Resources

- Freedom to take action
- Area affected by job, e.g resources managed

Criteria 1 – Knowledge Requirement

		Breadth of Knowledge required for the role (Breadth of knowledge that has to be applied together with the extent of planning and integration required)				
		1	2	3	4	5
		Specialist and substantial knowledge of discipline. Planning/delivery of specialist work area	Complete range of knowledge across a service/function area. Planning delivery of entire service Some involvement in corporate projects.	Integration across functions and/or services within the council and associated organisations or partnerships. Involved in corporate planning.	Integration of diverse functions within the council and with associated organisations or partnerships. Strategic planning across entire range of council services	Integration and planning across the whole council, and between the council and other organisations.
Depth of knowledge required for the role						
1	Professionally accredited or equivalent	1	2			
2	Professionally accredited with significant applied experience	2	3	4		
3	In depth diverse expertise together with significant managerial experience.	3	4	5	6	
4	In depth diverse expertise together with combined with extensive senior managerial expertise.		5	6	7	8

Criteria 2 – Creative thinking required/policy direction involved

		Level of discretion				
		1	2	3	4	5
		Managerial guidance, policy and procedures available. Focus primarily on one operational area	Senior manager level guidance available, work within corporate policy, operational procedures must be developed and adapted. Focus on an entire function or service area	Guidance only from most senior managers and elected members. Contribute to development of corporate policy within strategic policy framework. Focus on diverse areas of organisations activity	Guidance primarily from elected members, developing strategic direction of entire organisation. Focus on entire organisation	Guidance only from elected members and/or legislation high level strategic development and integration across the entire organisation
Nature and Level of Challenge (complexity of challenge and need for innovative thinking)						
1	A range of interrelated issues requiring innovative thinking and response to find a solution in one operational area	1	2			
2	A range of related and unrelated issues requiring innovative thinking and response to find a solution in one function/service area			3	4	
3	A diverse range of related and unrelated issues across more than one function requiring innovative thinking to develop a solution			4	5	6
4	Highly complex issues requiring significant interpretation or extension of existing policy, across more than one department/service area.			5	6	7
5	Challenging and highly complex situations with uncertain outcomes requiring the initiation and development of new policy impacting on the whole organisation.				8	9

Criteria 3 – Impact on people/organisation(s)

		External influencing requirement				
		1	2	3	4	5
		Role mostly focused on the provision of internal services with limited external liaison	Regular external contact required for the ongoing management of a range of service, supply and partnership relationships	Management and development of external relationships of significant importance to the Council.	High level contact with public and other external bodies to discuss negotiate and resolve controversial issues that impact on the council	High public visibility and negotiation with external partners/ stakeholders on significant and controversial matters relating to the whole council
Managerial (internal organisational) influence required						
1	Small team or full line management of small team, or impact across more than one department	1	2	3		
2	Full line management of a number of teams, or impact across all departments	2	3	4		
3	Full line management of a department or large business unit. Or significant impact across all departments			4	5	6
4	Full responsibility for the entire work force			5	6	7
						8

Criteria 4 – Responsibility for Resources

			Type of responsibility for managing resources		
			1 Advisory/indirect	2 Shared accountability with colleagues, partners, contractors etc	3 lead responsibility or direct accountability
Size of budget/resources managed					
		Indicative Revenue Budget (% of GRE)			
1		Less than 1 %	1	2	3
2		1% – 5 %	2	3	4
3		5% – 20%	3	4	5
4		21% – 40%	4	5	6
5		41% – 70%	5	6	7
6		70% - total GRE	6	7	8

Scoring Matrix

	Factors and points per level			
Level	Knowledge	Creative thinking and policy direction	Impact on People	Responsibility for resources
1	120	40	40	40
2	240	80	80	80
3	360	120	120	120
4	480	160	160	160
5	600	200	200	200
6	720	240	240	240
7	840	280	280	280
8	960	320	320	320
9	-----	360	-----	-----

When scoring it is possible to put a 'plus' or 'minus' onto any of the sub factor levels ; for the '*knowledge*' factor this has the effect of adding or subtracting 30 points to the score. In all other factors add or subtract 10 points. The exception to this is: level one in any factor cannot be subject to a 'minus'.

Spinal Point	£ WEF 1.4.17	New Grades	Spinal Point
6	£17,961		
7	£17,985	G1	
8	£18,051		
9	£18,105		
10	£18,330		
11	£18,357		G2
12	£18,375		
13	£18,396		
14	£18,657		
15	£18,936		
16	£19,281	G3	
17	£19,623		
18	£19,917		
19	£20,598		
20	£21,276		
21	£21,984		G4
22	£22,506		
23	£23,115		
24	£23,802		
25	£24,510		
26	£25,242	G5	
27	£26,019		
28	£26,805		
29	£27,801		
30	£28,668		
31	£29,517		G6
32	£30,324		
33	£31,170		
34	£31,998		
35	£32,628		
36	£33,444	G7	
37	£34,338		
38	£35,286		
39	£36,372		
40	£37,293		
41	£38,229		G8
42	£39,147		
43	£40,086		
44	£41,025		
45	£41,898		
46	£42,876	G9	
47	£43,815		
48	£44,751		
49	£45,666		
50	£46,608		
51	£47,544		G10
52	£48,489		
53	£49,452		
54	£50,445		
55	£51,465		
56	£52,476		
57	£53,478	G11	
58	£54,480		
59	£55,494		
60	£56,496		
61	£57,501	G11	
62	£58,515		
63	£59,523	G11	
64	£60,525		
65	£61,536		
66	£62,829		G12
67	£64,140		
68	£65,481		
69	£66,861		
70	£68,259		G12
71	£70,809		

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Local Senior Management Pay Line
01/04/2017

Spinal Point	£ WEF 1.4.17	New Grades
1	£76,509	G13
2	£78,552	
3	£80,589	
4	£81,924	
5	£84,672	
1	£86,712	G14
2	£88,749	
3	£90,792	
4	£92,832	
5	£94,872	
1	£96,912	G15
2	£98,952	
3	£100,992	
4	£103,035	
5	£105,072	
1	£112,215	G16
2	£116,292	
3	£120,375	
4	£124,455	
5	£128,535	
1	£132,615	G17
2	£136,698	
3	£140,775	
4	£144,858	
5	£148,938	
1	£167,217	G18
2	£168,768	
3	£170,319	
4	£171,870	
5	£173,421	

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T&C

Performance Based Progression Scheme

1. Each new grade comprises 5 spinal column points – this means there are 4 steps from the bottom point to the top point.
2. The result of the Council's annual Performance Development Review (PDR) process will be used as the sole determinant for progression from one point to the next – the 4 PDR results available are:
 - Unsatisfactory (1)
 - Developing (2)
 - Performing Well (3)
 - Excelling (4)
3. The effective date of any progression will be 1st April each year.
4. All 5 points will be consolidated ie once attained an employee will not move to a lower point, irrespective of future performance

Note: After initial implementation of this scheme, the Council intends to explore a potential future change to allow for an employee to move back to point 4 from point 5 following a period of poor performance. Any such change will be subject to a separate consultation period with staff
5. Point 1 of the 5 point scale will be the Council's default appointment point in all cases unless a business case to appoint at a higher point is approved by the relevant first tier officer
6. Points 2 and 3 of the 5 point scale are for employees who are developing in the role – all employees would be expected to progress through these points subject to annual assessed performance
7. All employees would be expected to progress to Point 4 of the 5 point scale subject to annual assessed performance
8. Point 5 of the 5 point scale is designed to present a significant challenge to employees in terms of difficulty of the objectives that are set and the competencies required – it is not expected that all employees will progress to this point

9. The progression rules applicable at each point are set out below:

- At Point 1
 - Progress to point 2 at end of year subject to a PDR score of 2/3/4
 - A PDR score of 1 would not enable progression to point 2

- At Point 2
 - Progress to point 3 at end of year subject to a PDR score of 3/4
 - A PDR score of 1/2 would not enable progression to point 3

- At Point 3
 - Progress to point 4 at end of year subject to a PDR score of 3/4
 - A PDR score of 1/2 would not enable progression to point 4

- Point 4
 - Progress to point 5 at end of year subject to a PDR score of 4
 - A PDR score of 1/2/3 would not enable progression to point 5

- Point 5
 - Remain at point 5 at end of year irrespective of PDR score

JOINT COUNCIL/TRADE UNIONS COMMUNICATION TO STAFF

TERMS & CONDITIONS REVIEW UPDATE

5th July 2017

BALLOTS ON COLLECTIVE AGREEMENT GOVERNANCE COMMITTEE DECISION 20TH JULY

The Council's Terms & Conditions (T&C) Review is nearing completion with the final proposals and implementation dates set to go to the Governance Committee on 20th July for approval.

We have recently received the final equality analysis which confirms that the Council's proposals do not significantly affect any one group and improves the overall Gender Pay Gap to a position slightly better than the national average.

Since then, the Council has also agreed a further number of significant revisions to the proposals in particular:

- Protection of Shift and Enhancement Allowances for 6 months
- Increase in the Teaching Assistant 2 Allowance to £687pa pro rata

A full list of the Council's proposals, including all of the revisions to the initial September 2016 proposals, are published on the T&C pages of the Council's intranet and website.

Please note that all of the revisions to the Council's initial proposals agreed through joint negotiations are subject to a Collective Agreement being signed.

A Collective Agreement (detailing the Council's final proposals) would be a formal agreement with the trade unions (on behalf of all employees irrespective of whether those employees were members of a trade union or not). If signed it would mean that the Council could implement the T&C proposals (after Governance Committee approval) by simply writing to all employees to notify them of the agreed changes to contracts of employment.

Following the further significant revisions to the proposals Unison, GMB and Unite have decided to ballot their members on a Collective Agreement and have confirmed to their members that this is the best that can be achieved through negotiation. Their ballots will be carried out over the next 2 weeks with a view to announcing the results before the Governance Committee meeting on 20th July.

The Governance Committee report will be available on the intranet and website after 12th July.

If a Collective Agreement is signed, the Governance Committee will be asked to approve the proposals for implementation on 1st September 2017.

If a Collective Agreement is not signed, the Council will need to consider whether to withdraw any or all of the revisions to the Council's proposals before asking the

Governance Committee to approve the final proposals. Implementation would take place later this year following a long process which would involve asking individual staff to voluntarily accept the changes to contracts of employment. Staff who do not voluntarily accept the changes would then be issued notice of dismissal and an offer of simultaneous re-engagement on new contracts of employment which fully reflect the agreed changes.

The Council and trade unions have worked together closely to try to achieve a Collective Agreement based on a fair and consistent set of proposals which is financially acceptable, including a modern grading structure, which minimises the impact on staff.

The Council and trade unions recognise that, whilst some staff will be adversely affected, we have worked hard to reduce the impact where possible and the final proposals represent the best possible outcome that could be achieved.

We recognise that this process has been a lengthy one and would like to thank all staff for their patience, feedback and professionalism throughout.

Caroline Nugent
Employer Side Secretary

Gabby Lawler
Employee Side Secretary

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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