

**MEETING**

**GENERAL FUNCTIONS COMMITTEE**

**DATE AND TIME**

**MONDAY 21 MARCH 2016**

**AT 7.00 PM**

**VENUE**

**HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BQ**

**TO: MEMBERS OF GENERAL FUNCTIONS COMMITTEE (Quorum 3)**

Chairman: Councillor Joan Scannell  
Vice Chairman: Councillor Wendy Prentice

Councillor Richard Cornelius    Councillor Ammar Naqvi    Councillor Charlie O-Macauley  
Councillor Barry Rawlings    Councillor Daniel Thomas

**Substitute Members**

Councillor Geof Cooke    Councillor Tom Davey    Councillor David Longstaff  
Councillor John Marshall    Councillor Alison Moore    Councillor Alon Or-Bach

In line with the Constitution's Public Participation and Engagement Rules, public questions or comments must be submitted by 10AM on the third working day before the date of the committee meeting. Therefore, the deadline for this meeting is 10AM on Wednesday 16 March 2016. Requests must be submitted to Sarah Koniarski 020 8359 7574 sarah.koniarski@barnet.gov.uk

**You are requested to attend the above meeting for which an agenda is attached.**

**Andrew Charlwood – Head of Governance**

Governance Service contact: Sarah Koniarski 020 8359 7574 sarah.koniarski@barnet.gov.uk

Media Relations contact: Sue Cocker 020 8359 7039 sue.cocker@barnet.gov.uk

**ASSURANCE GROUP**

## ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Minutes	To Follow
2.	Absence of Members	
3.	Disclosable Pecuniary interests and Non Pecuniary interests	
4.	Report of the Monitoring Officer (if any)	
5.	Public Question and Comments (if any)	
6.	Members Item (if any)	
7.	Provision of Facilities Impacting Members at Hendon Town Hall	1 - 4
8.	Unified Reward	5 - 42
9.	Barnet Living Wage Supplement	43 - 46
10.	Appointment to an Outside Body	To Follow
11.	Nominations to School Governing Bodies	47 - 50
12.	Any item(s) that the Chairman Decides to be Urgent Business	

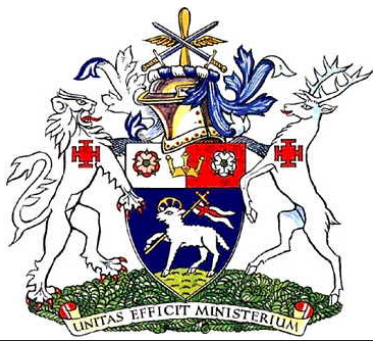
### FACILITIES FOR PEOPLE WITH DISABILITIES

Hendon Town Hall has access for wheelchair users including lifts and toilets. If you wish to let us know in advance that you will be attending the meeting, please telephone Sarah Koniarski 020 8359 7574 sarah.koniarski@barnet.gov.uk. People with hearing difficulties who have a text phone may telephone our minicom number on 020 8203 8942. All of our committee rooms also have induction loops.

### FIRE / EMERGENCY EVACUATION PROCEDURE

If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by uniformed custodians. It is vital you follow their instructions.

- You should proceed calmly; do not run and do not use the lifts.
- Do not stop to collect personal belongings.
- Once you are outside, please do not wait immediately next to the building, but move some distance away and await further instructions.
- Do not re-enter the building until told to do so.



## General Functions Committee

21 March 2016

<b>Title</b>	<b>Provision of Facilities Impacting Members at Hendon Town Hall</b>
<b>Report of</b>	Chris Smith, Head of Estate Management
<b>Wards</b>	Hendon
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Glenn Miller – Director Estates and Valuation <a href="mailto:Glenn.miller2@capita.co.uk">Glenn.miller2@capita.co.uk</a>

### Summary

This report covers how, in future, Members will be consulted regarding the management of and improvements to the Hendon Town Hall and, where applicable, how decisions will be referred to General Function Committee.

### Recommendation

1. That General Functions Committee agrees that council officers will consult with Group Leaders and the Chairman of this Committee of any items of expenditure needed exceeding £10,000 in relation to facilities impacting Members at Hendon Town Hall. Group Leaders or the Chairman of General Functions Committee will then have 14 days to confirm if they wish any proposal to be referred to the next appropriate General Functions Committee meeting.

## **1. WHY THIS REPORT IS NEEDED**

- 1.1. Concerns were expressed at General Functions Committee (GFC) on 18 Feb that the upgrade to the microphone system in council chamber didn't involve Member consultation.
- 1.2. Concerns were also expressed at the same meeting that generally there was too little input from Members with regard to the management of issues affecting Members' use of the facilities at Hendon Town Hall.

## **2. REASONS FOR RECOMMENDATION**

- 2.1 Members of the General Functions Committee have requested that consultation take place on matters which affect the operation and running of the Town Hall.
- 2.2 It is felt appropriate that a financial threshold be applied to avoid the need for consultation on minor day to day operational matters.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 Retention of fully delegated responsibility for decisions related to the management of and improvements to the Hendon Town Hall to council officers. This is not recommended because Members have expressed a wish to be involved.
- 3.2 Referral of all decisions relating to the management and operation of the Hendon Town Hall to GFC. This was considered to be impractical and inefficient for low expenditure items required for the operational day to day running on the building.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 Council officers will immediately, following the approval of GFC, adopt a procedure whereby they advise Group Leaders and the Chairman of GFC of any items of expenditure needed exceeding £10,000 affecting facilities at the Town Hall as soon as the requirement becomes evident.
- 4.2 Group leaders and the Chairman of GFC will then have 14 days within which to confirm if they wish any proposal to be referred to the Committee.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Barnet Corporate Plan 2013 to 2016 commits the Council to delivering better services with less money. A key principle of the medium term financial strategy is to continually review the use of Council assets so as to reduce the cost of accommodation year on year including how best to provide functional and cost effective operational buildings.

## 5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 Information about items of expenditure needed exceeding £10,000 would be provided to Group Leaders and the Chairman of GFC, with the option of a report being requested to GFC.

5.2.2 Any decisions relating to items of revenue or capital expenditure at Hendon Town Hall will be managed in accordance with the Council's contract procedure rules.

## 5.3 **Social Value**

5.3.1 Not applicable in the context of this report.

## 5.4 **Legal and Constitutional References**

5.4.1 Council constitution ([Annex A to responsibility for functions](#)) contains terms of reference for the General Functions Committee which include responsibility for all other Council functions that are not reserved for Council.

5.4.2 Expenditure is subject to the Council's contract procedure rules and this is not affected by the recommendation in this report.

5.4.3 There are no specific legal considerations in the context of this report.

## 5.5 **Risk Management**

5.5.1 Any decisions relating to Hendon Town Hall should involve consultation with Members as it may affect the conduct of Council and Committee meetings, or the facilities provided to members.

## 5.6 **Equalities and Diversity**

5.6.1 Any revenue or capital expenditure relating to Hendon Town Hall will take into account accessibility issues and any issues affecting Members' use of facilities.

## 5.7 **Consultation and Engagement**

5.7.1 Subject to Committee approval, members will be consulted as detailed in the report on matters relating to Hendon Town Hall that would impact upon them.


## 5.8 **Insight**

5.8.1 Not applicable in the context of this report.

## 6. **BACKGROUND PAPERS**

6.1 General Functions Committee report 18 February 2016 (Item 6a):  
<https://barnet.moderngov.co.uk/documents/s29750/Report.pdf>

This page is intentionally left blank

	<p><b>General Functions Committee</b></p> <p><b>21 March 2016</b></p>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Unified Reward</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Andrew Travers – Chief Executive and Head of Paid Service Graeme Lennon - HR Director</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>Not Applicable</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: right;"><b>Key</b></p>	<p>No</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>Appendix A – Equality Impact Assessment (EIA)</p>
<p style="text-align: right;"><b>Officer Contact Details</b></p>	<p>Andrew Travers  <a href="mailto:andrew.travers@barnet.gov.uk">andrew.travers@barnet.gov.uk</a>                      020 8359 7850                      Graeme Lennon  <a href="mailto:Graeme.Lennon@Barnet.gov.uk">Graeme.Lennon@Barnet.gov.uk</a>                      020 8359 5080</p>

## Summary

This report makes proposals to review the pay, grading and terms and conditions of council staff and staff in community schools, looking to make the pay and reward system simpler, fairer and more flexible, while rewarding performance.

The intended purpose of the review is to ensure the Council’s employment arrangements are fit for purpose in a changing operating environment. These include consideration of the wider market of public (and private) sector employment and changing expectations in areas like employee flexibility and career development; changing patterns of supply and demand which mean that skills shortages in certain technical and professional roles are increasingly evident, even within the current contracting local authority market; and pressure on the Council to continually reduce its costs which require a re-evaluation of employment practice to ensure that spending is focussed on areas of current and future need.

The overall outcome that is sought is for the Council to be an employer of the best possible staff. The approach includes an emphasis on a performance culture; career development and the retention of accumulated knowledge and experience; an expectation of excellent

staff attendance; supporting staff in their personal health and wellbeing; and supporting staff in achieving the right balance between their working life and other commitments.

Extensive research shows that individuals are attracted, retained and engaged by a range of both financial and non-financial rewards so there is a need to have a coherent link between pay, reward and the overall approach to engagement and attraction in order to deliver the best outcome for the Council. The intention is to maximise productivity and efficiency within finite resources.

The Chief Executive and HR Director undertook consultations between the 8<sup>th</sup> February 2016 and 8<sup>th</sup> March 2016, the results of which are attached at table 1 below.

If agreed, the proposals would affect more than 20 employees and therefore requires approval by the General Functions Committee.

The implementation date for these changes is 1 October 2016 for Council staff and 1<sup>st</sup> April 2017 for School based staff. The schools implementation date was specifically requested by Head Teachers taking in to regard significant changes that take place across school at the beginning of the Autumn term and to coincide with the beginning of a new financial year.

It is believed that agreement to the proposals in this paper will strengthen the Council's position as an employer of choice, at the same time as building on its strong performance management orientation and intention to reward good performance.

## **Recommendations**

### **1. It is recommended that the General Functions Committee AGREE:**

- a) that a review of the Staff Annual Performance Appraisal Scheme be undertaken to ensure that it remains fit for purpose and this is delegated to the HR Director to complete (paragraph 6.3.2.1)**
- b) that the Council continues to invest in its future managers through appropriate management development programmes ( paragraph 6.3.2.1);**
- c) that voluntary health screening should now be offered to all staff over 45, specifically to cover checks that are not available as part of the nationally available NHS check (paragraph 6.3.3.2) with effect from 1st April 2017. Voluntary health screening for employees under 45 will be considered as part of the employee benefits scheme outlined below at t);**
- d) that the Council continues to offer an Employee Assistance Programme (EAP) to all staff (paragraph 6.3.3.2);**
- e) that the Council implements the revised pay structure outlined in paragraph 6.3.2.3 and that Council staff transfer to the revised pay structure from 1<sup>st</sup> October 2016 and Community School staff transfer to the revised pay structure from 1<sup>st</sup> April 2017;**



- f) that employees are assimilated into the appropriate grade for their job on the following basis. Employees currently paid below the proposed grade minimum will be assimilated to the proposed grade minimum. Employees currently paid above the proposed grade maximum will be assimilated to the proposed grade maximum (and will receive pay protection for 12 months). Employees currently paid between the proposed grade minimum and maximum will retain their current salary as at the date of implementation.**
- g) that senior managers retain their delegated authority to within the Council's appointment policy to appoint employees at a salary within the appropriate grade for the job to reflect local conditions and circumstances.**
- h) that the Council moves across to a system where future pay progression is based on performance for all staff below Grade M, as described in paragraph 6.3.2.4 to be determined by the supervisor based on the annual appraisal dependent on a performance rating outlined in table 2 below applicable to all Council staff with effect from 1st October 2016 and Community School staff from 1st April 2017 that the operation of the scheme be delegated to the Chief Operating Officer and HR Director;**
- i) that two schemes be developed to enable the Council to consider salary supplements for hard-to-fill posts and that the development and operation of any such scheme be delegated to the Chief Operating Officer, in consultation with the HR Director, with an annual information report agreed by the General Functions Committee (paragraph 6.3.2.5);**
- j) that the existing market factor supplements as agreed by General Functions Committee on 23<sup>rd</sup> June 2015, continue for the period 1<sup>st</sup> April 2016 – 30<sup>th</sup> September 2016 (paragraph 6.3.2.5);**
- k) that consideration be given to developing a performance related pay (PrP) Scheme for those staff assessed for two consecutive years as outstanding through the annual appraisal scheme and that this is trialled unfunded for the next 2 years with potential introduction from 2018/19 subject to member agreement and funding being available. Should the proposal be agreed the Chief Executive will bring a report will be brought to a future meeting of the Committee when the proposal has been further developed. The scheme should recognise individual competence as well as team contribution to delivering Council priorities paragraph 6.3.2.5.**
- l) that pay protection be time limited to 12 months following the introduction of Unified Rewards but following this 6 months for pay protection becomes the normal arrangement for all staff. Post unified rewards there will be a degree of managerial discretion regarding the period of pay protection to take into consideration individual circumstances to be appropriately considered in exceptional circumstances. The definition of exceptional circumstance and the implementation of pay protection beyond 6 months should be delegated to the Chief Operating Officer in consultation with the HR Director (paragraph 6.3.2.7);**

- m) that retainer pay be removed for all Council staff with effect from 1<sup>st</sup> October 2016 and on the 1<sup>st</sup> April 2017 for Community School staff. It is proposed that quality pay be removed for all staff with effect from 1<sup>st</sup> October 2016 (paragraph 6.3.2.8);**
- n) that revised voluntary overtime rates outlined in paragraph 6.3.2.8 are introduced from 1<sup>st</sup> October 2016 for Council staff and 1<sup>st</sup> April 2017 for Community School staff;**
- o) that contractual overtime will cease from the 1<sup>st</sup> October 2016 except in a small number of cases where there are specific health and safety reasons why this needs to remain (paragraph 6.3.2.8).**
- p) that all additional discretionary payment mechanisms (ad hoc/discretionary payments, market factor supplements) be removed with effect from 1<sup>st</sup> October 2016 (paragraph 6.3.2.8).**
- q) that a new Absence Management Code of Practice that reduces the sickness trigger levels be developed by the HR Director. From the current short-term absence triggers (10 days or 4 periods of within any 12 month period) is changed to 8 days absence or after the second occasion of sickness absence within any rolling 12 month period. Salary reductions would be imposed on those staff with unsatisfactory absence of 1 days' pay at the first trigger, 2 days' pay at the second trigger and 3 days pay at the third trigger. The revised scheme be introduced on 1<sup>st</sup> October 2016 for Council staff and 1<sup>st</sup> April 2017 for School based staff but that any pay deduction are deferred for 12 months from implementation as described in paragraph 6.3.2.10;**
- r) that all staff move to 30 days annual leave and that staff currently receiving more than 30 days annual leave per annum are protected at 31 days per annum for a period of 12 months. The revised arrangements are to be introduced with effect from 1<sup>st</sup> April 2017(paragraph 6.3.2.9);**
- s) that the Council will apply a single criteria of 2,500 miles per annum for eligibility for an essential car user allowance and remove the allowance for those not meeting the required criteria with effect from 1st April 2017(paragraph 6.3.2.11);**
- t) that the Council investigate the provision of a comprehensive employee benefits scheme subject to the conditions outlined in paragraph 38, to be introduced with effect from 1st July 2016 (paragraph 6.3.2.12).**
- u) to authorise the Chief Executive and HR Director to implement these proposals on the basis of either reaching a collective agreement with the relevant trade unions. If the Council does not reach a Collective Agreement then it would be asking staff individually to agree to the terms of their new contract with new pay, grading and terms and conditions. Should neither collective agreement nor individual agreement of the new contract be forthcoming then proceed to dismiss staff and immediately offer to re-engage them on the new contract. As outlined in paragraph 4 of this report and mitigations outlined in the Equalities Impact Assessment appended to this report at Appendix A.**

## **Alternatives Considered**

These recommendations have been subject to consultation and amended as set out in the report, below.

To continue with the existing arrangements would result in the retention of the current systems, without the benefit indicated and improvements to the intention to strengthen the commissioning functions of the Council.

### **1. WHY THIS REPORT IS NEEDED**

- 1.1 The report concerns the proposed changes to the pay, grading and terms and conditions of council staff and staff in community schools. The report is presented as these matters are within the terms of reference of the General Functions Committee.
- 1.2 The unified reward project was initiated by Remuneration Committee in September 2012 with the aim of reviewing the Council Pay, grading and associated terms and conditions of employment.
- 1.3 As part of the project more than 600 roles have been evaluated covering more than 5,000 staff in both the Council and Community schools. During October 2015 to January 2016 negotiations took place between the Council and trade Unions which resulted in agreement to consult with staff regarding the package of proposals outlined in this Committee report.
- 1.4 In summary, the package includes:
  - Making changes to the Council's pay structure, including uplifting the basic rates of pay to the market average:
    - 12 new grades to replace the current structure of over 300 grades
    - each grade to have a range of pay to allow for employee progression
    - base value for most pay grades has increased to match the market average
    - more than 90% of staff will receive the same or higher rates of basic pay.
  - Removal of automatic grade increments. This means future pay progression will be based on performance, encouraging a high performance culture with percentage increases based on employee performance review rating.
  - Consolidation of both the London Weighting and Barnet Living Wage into base pay, making the system easier to understand.
  - Pay will be according to the number of weeks per year employees are required to work with term time only workers having their pay pro-rated based on the actual number of weeks per year they work

- Pay protection for those employees who are negatively impacted by Unified Reward grading changes to be 12 months meaning that pay for Council staff will be protected until October 2017 and until April 2018 for Community School based staff. Thereafter, six month pay protection will be the normal practice.
- Simplifying and reducing overtime and bank holiday payments for staff paid below £26,277:
  - Overtime in excess of 36 hours to be paid at 1.25 (currently x 1.5)
  - Overtime 'out of hours' at 1.5 (10pm - 6am) (currently x 2)
  - Bank holiday work at 2.0 or a day off in lieu (Currently x 2 plus a day off in lieu).
- Additional Payments. All additional payments (contractual or discretionary) removed (includes adhoc/discretionary payments, honoraria and responsibility payments).
- All retainer and quality pay payments will be removed.
- Occupational sick pay triggers
  - New absence management policy to manage high levels of sickness absence aimed at reducing sickness levels to the lowest in the public sector.
  - Tougher sickness triggers with financial penalties to be introduced from 1 October 2016 for more than 3 absences or over 8 days absence in total, and increasing with subsequent absences; with the deductions potentially taking effect in 2017.
- Essential Car Allowance. A single new criterion of 2,500 miles per annum applied before essential car status applied.
- Annual leave. Simplifying the annual leave system to set at 30 days per annum for all employees, to enable recruitment and retention of key parts of the workforce such as social care. Employees currently receiving over 30 days to be reduced to 31 for leave year 2017/18. Thereafter all staff will receive 30 days annual leave.
- Recruitment and Retention. Putting in place two new schemes providing a maximum of 10% additional pay per scheme, replacing current Market Factor Supplement payments.
- Introduction of voluntary health checks. Making the most of our accreditation under the Healthy Workplace Charter to offer opportunities to improve health and wellbeing
- Introduction of a market leading employee benefits package at no overall cost to the Council which includes a range of benefits for staff who work at the Council.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The recommendations in this report are designed to strengthen the Council's the pay, grading and terms and conditions of council staff and staff in Community schools for the reasons set out in the below.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The development of the proposals included a 30 day consultation with staff to explore the proposals.
- 3.2 As part of the consultation and engagement process staff suggested several alternative options and these are listed below
- removing the idea of pay deductions when sickness triggers reached
  - changing the proposal on 52 week staff in Community schools so that the status quo was retained
  - increasing the amount of annual leave for all staff up to 36 days
  - deleting the proposal to change the criteria for essential car user allowance
  - increasing the period of pay protection to 2 years
  - removing any changes to overtime payments
- 3.3. All of these proposals were considered by officers and retaining the existing arrangements would result in the retention of the current systems, without the benefit indicated and improvements to the intention to strengthen the functions of the Council.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 Senior Officers from the Council have been involved in constructive negotiations with unions on the pay, grading and terms and conditions of council staff and staff in community schools since October 2015. This has included regular meetings with representatives from the formally recognised trade unions (Unison and GMB). In January 2016 the Council reached an agreement to consult with staff on the proposals outlined in this report. At the point this paper was finalised, the trade unions had yet to complete their consultation with their members and it is intended to update members verbally at the committee meeting.
- 4.2 Although the Council remains fully committed to further negotiations in order to achieve a Collective Agreement, because of the timetable for the implementation of these arrangements, it could be necessary to issue a statutory notice to the Secretary of State for Business, Innovation and Skills regarding the potential dismissals, as required by Section 193 of the Trade Union and Labour Relations (Consolidation) Act 1992 and letters under Section 188 of the Act to the unions to ensure that statutory requirements for consultation are met. If the Council does not reach a Collective Agreement then it would be asking staff individually to agree to the terms of their new contract with new pay, grading and terms and conditions. Should neither collective agreement nor individual agreement of the new contract be

forthcoming then it may have no option but to dismiss staff and immediately offer to re-engage them on the new contract. Before the Council gets to that point there would be extensive engagement with all staff on an individual basis. All of this will be irrelevant if a Collective Agreement is reached. Officers are still working towards a Collective Agreement with trade unions and it is the Council's aim and hope that this will be achieved. Clearly there could be sensitivities associated with the issuing of the statutory notices described. However, the rationale for this has been explained to the trade unions and negotiations continue to be constructive.

- 4.3 Should the committee approve the proposal the implementation date for these changes will be 1<sup>st</sup> October 2016 for Council staff and 1<sup>st</sup> April 2017 for Community School staff.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The report concerns all functions of the Council.

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 Financial modelling has been undertaken based on all posts that are currently filled; it compares costs under the current pay structure with costs of new roles based on assumptions of changes to additional pay. The assumptions used in the model are:

- Turnover of staff assumed at 12% per annum;
- New employees appointed at grade mid-point as opposed to grade minimum;
- Current base pay costs increasing by 0.5% per annum
- No savings on travel in the first year as the new criteria won't apply until 1 April 2017;
- Pay protection for one year;
- Specific market factor supplements in place in social care.

- 5.2.2 In the year of implementation the current cost for the Council is £37m and for schools the cost is £22.9m. With unified reward the costs for the Council will be £36.5m resulting in a savings of £0.5m and for the schools it will be £23.6m resulting in a pressure of £0.6m. The overall impact will be cost neutral. The projection over 5 years shows that the Council will achieve a saving of £0.5m p.a. and the schools will have a pressure of £0.3m p.a.

The overall impact for the Unified Reward has been modelled over five years. Across both the Council and schools there is a cost neutral position. For the Council this a saving of £0.5m p.a. by year five is projected, but as the project goes through the moderation / appeals phase this may reduce and the projection is that it will result in a cost neutral position.

- 5.2.3 The changes also impact schools and discussions with community schools over the steps that can be taken to mitigate the cost in the year of the scheme are taking place. Conversations will also be taking place with VA schools who may want to make similar changes to remain in line with the Council's terms and conditions.

Following the General Functions Committee meeting, we will complete moderation and appeals along with discussions with the schools. Whilst overall protection costs can be absorbed within the five year financial model, if this presents an in year challenge, we will report the position and make recommendations to Policy and Resources in July 2016 as part of the budget process.

The implementation of this project will involve significant changes to individual's contracts of employment leading up to 1<sup>st</sup> April 2017 including the issuing of more than 5,000 letters and new contracts of employment, reconfiguration of the Council's HR/Payroll systems to program changes in the pay, grading and terms and conditions of employment, handling the job evaluation appeals/re-evaluation mechanisms together with managing queries and concerns from staff affected by the changes and on-going communications updates. If agreed this project will need to be fully staffed over a period of 15 months to ensure that implementation is effective and timely to this extent it is resource intensive and needs dedicated team both internally and externally. The cost of implementation is a maximum £624,000 for the next phase, funded from the Transformation Reserve.

### 5.3 Social Value

Not applicable in the context of this report.

### 5.4 Legal and Constitutional References

- 5.4.1 In accordance with [Appendix A to the Responsibility for Functions section of Barnet Council's Constitution](#) the General Functions Committee has responsibility for staff matters (i.e. salaries and conditions of service) other than those within the remit of Chief Officer Appointment Panel.
- 5.4.2 The Committee is also responsible for taking account of the Reward and Employment strategies of the Council with a view to ensuring that it is fully briefed on the prevailing organisational approach. In accordance with its terms of reference, the Committee must keep under review the terms and conditions as they relate to pay for all Council employees and where changes have a significant impact on the Pension Fund and/or Council budget, those decisions will also be subject to agreement by the Pension Fund Committee and/or Policy and Resources Committee.
- 5.4.3 The Committee takes account of forward plans and the impact of remuneration on workforce planning, talent management and succession planning. In doing so it reviews remuneration arising from performance management and ensures that any performance-related pay mechanisms are fair and transparent.

5.4.4 In accordance with the [HR Regulations in the Constitution](#) where terms and conditions of employment are to be introduced (this excludes compliance with statutory requirements) or replaced (this means a new term or condition) arising from an organisational restructure, the restructure will be considered to have major implications and a report must be submitted to General Functions Committee for approval.

5.4.5 The general rule is that changes cannot be made to contracts of employment except by agreement. However, the existing staff contracts of employment allow for changes to be made by way of collective agreement. This means that if an agreement can be reached with the unions the changes will automatically apply to all staff (not just trade union members). If agreement cannot be reached through this mechanism then individual agreement has to be sought.

5.4.6 Where employees refuse to expressly agree to a change, the employer's best option is likely to be terminating the existing contract and offering continued employment on the new terms. Provided that the employer has served due contractual notice on the employee it will not be liable for a wrongful dismissal claim. As long as the employer has a sound business reason for dismissing an employee who refuses to accept a change in terms, it should be able to establish that the dismissal is a potentially fair one for some other substantial reason. This does not have to be a reason that an employment tribunal considers sound, but one which a reasonable employer would consider sound. Tribunals are not allowed to substitute their own opinion for that of the employer on the question of whether the change is advantageous to the employer's business.

5.4.7 In accordance with section 188 of Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA), which implements the European Collective Redundancies Directive (Directive 98/59) (the Directive) the Council must consult on its proposal with representatives of the affected employees and also notify BIS.

## 5.5 Risk Management

5.5.1 Risks associated with the restructure have been logged using the risk management procedure as part of the Corporate Risk Management Framework. In summary the key risks are as follows:

Risk	Mitigation
If policies, procedures and protocols are not updated to reflect the new structure and operating arrangements then service delivery will be affected.	Project to facilitate the updating of policies and procedures.
If the changes are not setup properly on HR Core then this will cause delays to billing and payroll processes.	Work to be prioritised by Project Lead working closely with HR. Early agreement on requirements and timescales.



<p>If staff leave ahead of changes (particularly in areas detrimentally affected by the changes) then this could result in instability.</p>	<p>Contingency plans to be in place to ensure that required agency staff can be mobilised very quickly if they are needed.</p>
<p>The proposals have been designed to have no impact on resident and service users, however, there is a possibility that they might impact residents and/or service users in an unforeseen way or ways.</p> <p>If such impacts are identified prior to implementation then the implementation may be challenged and delayed or cancelled.</p> <p>If such impacts occur after implementation then the council's reputation may be impacted.</p>	<p>Record as impact not known on EIA.</p> <p>Undertake to monitor satisfaction rates and be ready to take action in the event of reduction.</p>

## 5.6 Equalities and Diversity

5.6.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- advance equality of opportunity between people from different groups
- foster good relations between people from different groups

5.6.2 The Public Sector Equality Duty also requires decision makers to have due regard to equalities when making their decisions. No equalities impact is anticipated for service users or residents as a result of these proposals. A detailed Equalities Impact Assessment was undertaken in respect of staff and this is attached at Appendix A to this report. The EIA is currently showing an overall positive impact for staff and it details any negative impacts for particular protected characteristics as a result of particular aspects of the proposals together with any proposed mitigations to avoid and/ or reduce any negative impacts. The EIA will be updated as proposals are implemented.

5.6.3 The broad purpose of this duty is to integrate considerations of equality into day business and keep them under review in decision making, the design of policies and the delivery of services (A full EIA is attached as Appendix A).

5.6.4 A detailed Equality Impact Assessment was undertaken in respect of staff. This identified that the proposals have been designed to improve the overall reward package offered to employees at the council and contains the following features:

- Base rates of pay have been moved closer to market median pay from a position of around lower quartile - for the vast majority of employees (93%) this will mean their base pay will remain the same or increase

- The Council continues its commitment to pay a fair day's pay for a fair day's work by consolidating the Barnet Living Wage rate into the first grade meaning employees will no longer require a pay supplement to reach this level
- Annual leave has been increased to 30 days per annum and for the vast majority of employees (92%) this will mean an increase in entitlement from the current arrangements
- Employees detrimentally affected by a reduction in salary will receive 12 months' pay protection
- Local Government Occupational sick pay scheme retained - up to six months full pay and six months half pay (depending on length of service)
- Other terms and conditions have been harmonised to ensure a consistent and fairer approach across the whole Council

## 5.7 Consultation and Engagement

5.7.1 An open consultation was launched for a 30 day period on 8th February 2016. The Trade Unions were informed and invited to all of consultation events. A total of 29 meetings were held and almost 1,000 staff attended. There was good engagement across all areas and senior managers have considered the points of view raised and have considered these in relation to the final proposals.

5.7.2 Staff across the Council and Community Schools were encouraged to comment and put forward ideas to improve the proposals or alternative proposals. A variety of ways were made available for people to put these forward or to ask questions. The Council also used voting technology as a way in which staff could feedback at consultation sessions the results of these consultation questions are listed below:

**Table 1**

Question	Positive Response	Negative Response
Do you agree that moving from 300 to 19 grades is simpler and more transparent for staff?	70%	30%
Do you agree that moving base pay from amongst the lowest paid local authorities upwards is a good idea?	90%	10%
Do you agree that linking pay increases, within the grade, to performance is fair?	53%	47%
Do you agree that if someone achieves an 'outstanding' performance review they should receive the highest pay increase?	70%	30%
Do you agree protecting pay for 12 months for all staff negatively impacted by Unified Reward is reasonable?	82%	18%
Do you agree that 30 days annual leave is a good offer for all staff?	66%	34%
Do you agree with our proposals to manage sickness whilst protecting those with long term sickness or disabilities?	45%	55%

Question	Positive Response	Negative Response
Do you agree that an employee should be paid based on the actual number of weeks they work?	57%	43%
Do you agree with the voluntary overtime payments of x1.25 and x1.5?	67%	33%
Do you agree that overtime should only be paid where there is a business need for additional work?	78%	22%
Do you think it is fair that council essential car user allowance is reserved for those travelling a minimum of 2,500 (11 miles per day) per year?	56%	44%
Do you agree with the council's need to introduce two schemes to attract and retain staff to key areas of the business?	71%	29%

5.7.3 In addition to the consultation questions above there were over 100 questions and comments raised, the majority of these were regarding how the proposals would be implemented and that the Council should have clear guidelines and management training in operating both the pay progression and revised sickness triggers levels.

On the sickness absence proposals, concerns were raised about the fairness of implementation across the organisation. To overcome this we will be introduce clear procedures and policies as well as training for managers on effective management of sickness absence to ensure that, where necessary, effective managerial discretion is used on a case by case basis.

Whilst concerns were raised over the revised sickness proposals the fact that Barnet employees have in excess of 10 days absence per year on average compared to the public sector average of 6.5 days suggests that the proposals are proportionate and necessary.

Concerns about the potential for unfairness in the application of the performance management process so we are running sessions for managers over the next few months on how to carry out meaningful performance reviews. Over the coming months we will focus on developing a comprehensive moderation framework, prior to the introduction of performance-related pay, to ensure fairness and consistency for all. In Community Schools the main negative comment related to approximately 380 Teaching Assistant out of a total of over 1,000 working term time only but being paid for 52 weeks. Under the proposals these staff will reduce from 52 paid weeks to the weeks they actually work. The Council believes that it is fair and equitable to introduce this change. Given the overall feedback is positive it is not proposed to amend any of the changes outlined in paragraph 6 below.

5.7.4 Consideration was given to extending the consultation period to allow more time for individuals who may be affected to consider the impact on them. No employee requested additional time, and the general consensus was to progress with the proposals swiftly to ensure a continued focus on service

commissioning plans, financial planning and delivery and continued improvements to delivery and commissioning functions.

## 5.8 **Insight**

5.8.1 Insight data is not applicable in the context of this report.

## 6. **DETAIL**

### 6.1 THE COUNCIL'S APPROACH TO UNIFIED REWARDS

Although the Council's current arrangements have been fit for purpose, for the following reasons a review is necessary at this time:

- (a) The Council operates within a wider market of public (and private) sector employment and changing expectations in areas like employee flexibility and career development require a response from Barnet Council that ensures we remain an attractive and competitive employer;
- (b) the changing patterns of supply and demand mean that skill shortages in specific areas, especially certain technical and professional roles, are increasingly emerging even within the current contracting local authority market; and
- (c) pressure on the Council to continuously reduce its costs requires a re-evaluation of employment practice to ensure that spending is focussed on areas of current and future (rather than historic) need.

### 6.2 THE BARNET APPROACH

It is equally important to be clear on the outcome that is sought for the Council as an employer of the best possible staff. Desired outcomes include –

- (a) a performance culture in which the best possible outcomes are achieved at the lowest possible cost;
- (b) pay progression based on achieving high levels of performance and outcomes for residents;
- (c) an organisation where outstanding performance is encouraged, recognised and rewarded;
- (d) a long-term commitment to high quality staff, which places particular emphasis on accumulated knowledge and experience;
- (e) career development and retention of staff to maintain a high performing organisation;
- (f) a pay and rewards scheme which is at the median of the public sector marketplace;

- (g) an expectation of excellent attendance from all staff;
- (h) supporting staff in their personal health and wellbeing; and
- (i) supporting staff in achieving the right balance between working life and their other commitments.

### 6.3 UNIFIED REWARDS STRATEGY

6.3.1 The Council sets itself high standards, the achievements of which are dependent upon the dedication, motivation and quality of its staff. The Unified rewards strategy aims to inspire and support staff to continue to make Barnet Council a great place in which to work - a place where all staff:

- (a) feel proud about working for Barnet Council;
- (b) achieve their full potential;
- (c) treat customers as they would like to be treated themselves;
- (d) feel equipped and rewarded for what they do; and
- (e) are encouraged to offer creativity and improvement to the services with which they are involved.

6.3.2 The Unified rewards strategy should have as a constant theme that there should be consistency, fairness and equity across all staff groups. These should be guiding principles of the strategy and it is proposed that this includes –

#### 6.3.2.1 (a) Career and Personal Development

The Council already has a single annual appraisal that reviews staff performance over the previous year. It is therefore proposed to review and revise the appraisal scheme to ensure that it remains fit for purpose.

The Council already has specific “Leadership and Management, Development programmes for its staff. It is proposed that the Council invests in an “Aspiring Manager” development programme that gives all of those aspiring to management positions or already in management positions the opportunity to develop in their role. It is proposed that the Council continues to invest in its future managers through appropriate programmes so that, when openings occur, it has ready-made talent available and skilled to fill most positions.

#### 6.3.2.2 (b) Health, Wellbeing and Work Life Balance

The Council is committed to the health and wellbeing of its entire staff. There are strong links between good health and motivated staff, and enhanced work productivity and effectiveness. It is proposed to offer voluntary health screens annually to those aged 50 and over and every other year to those aged between 45 and 50. It is proposed that this voluntary health screen, specifically to cover checks that are not available as part of the nationally available NHS check.

In addition to health screens it is proposed that the Council continue to offer an Employee Assistance Programme (EAP) to all staff. EAPs offer employees free, confidential and independent support to help them balance their work, family and personal lives. By supporting employees through the provision of an EAP, the Council saves time and money, protects itself against stress litigation and gains a better understanding of the issues impacting on their employees.

### 6.3.2.3 (c) Pay

The Council needs a reward package that attracts and retains high calibre staff and rewards them for the contribution they make. In addition it needs a single, fair and modern pay structure that links pay progression to performance that is benchmarked at the median of the public sector.

During the planning for Unified Reward, the council realised that its base pay was at the lowest quartile in relation to the London public and not for profit sector and other comparable organisations. We have therefore taken this opportunity to align the revised pay structure to the median quartile within the London public and not for profit sector as well as incorporating the current outer London salary weighting in to base pay. The Council currently has over 300 different grades and it is proposed to align these to the 12 grades outlined in table 2 below. As a principal to tackle low pay within the workforce it is proposed to embed the Barnet Living wage as the minimum salary point within the proposed revised pay and grading structure as outlined below in table 2.

**Table 2 - Revised Pay and grading structure**

Grade	Grade Minimum	Grade Maximum
Grade A	£17,334*	£18,045
Grade B	£18,045	£18,783
Grade C	£18,381	£20,193
Grade D	£19,524	£21,552
Grade E	£20,856	£23,334
Grade F	£23,334	£26,277
Grade G	£26,277	£29,727
Grade H	£28,935	£31,986
Grade I	£31,986	£35,655
Grade J	£36,558	£41,073
Grade K	£43,869	£48,475
Grade L	£49,451	£55,384

Note: the figures in the table above relate to 2015/16 salaries and will be increased in accordance with the national settlement negotiated by the National Employers with effect from 1 April 2016.

\* All employees will be paid a minimum salary rate of £9.40 per hour (£17,644 p.a. for a full time employee working 36 hours per week) as from 1 April 2016.

Although National negotiations have not been concluded yet it is anticipated that the Grade A minimum will increase to around the value of £9.40 per hour.

Employees will be assimilated to the grade for their job based on a tried and tested assimilation method. Under the proposals employees currently paid below the proposed grade minimum will be assimilated to the proposed grade minimum. Employees currently paid above the proposed grade maximum will be assimilated to the proposed grade maximum (and will receive pay protection for 12 months). Employees currently paid between the proposed grade minimum and maximum will retain their current salary as at the date of implementation.

Currently managers have discretion to appoint employees between the grade minimum and maximum if there are objectively justifiable reasons for doing. It is recommended that this practice continues as it will allow managers to be flexible to respond to local situations and circumstances.

#### 6.3.2.4 (d) Pay Progression

In addition to the nationally agreed cost of living pay awards, it is proposed that the system be amended for all staff below Chief Officer level to ensure that future pay progression is based on performance using a performance rating as indicated below. Progression-related increments have been Council policy for Chief Officers since 2012. It is proposed that in future staff will normally be appointed at the minimum of the grade with annual progression up to the maximum of the grade to be determined by the manager/supervisor based on the annual appraisal - being dependent on a performance rating of:

**Table 3 – Pay progression criteria**

Development needs (0% of salary consolidated)
Satisfactory (0.5% of salary consolidated)
Good (2.25% of salary consolidated)
Outstanding (3% of salary consolidated)

#### 6.3.2.5 (e) Recruitment and Retention

There are recruitment and retention issues for some groups of staff where there are comparators with the private sector or national shortages. It is proposed to replace the existing market factor supplements agreed by General Functions Committee on 23<sup>rd</sup> June 2015 with one scheme covering recruitment and one scheme covering retention each attracting a maximum of 10% of basis salary for the post. Additionally it is proposed to continue with the market factor supplements as agreed by General Functions Committee on 23<sup>rd</sup> June 2015, for the period 1<sup>st</sup> April 2016 – 30<sup>th</sup> September 2016.

Where a recruitment or retention supplement is warranted these need to be evidenced and monitored consistently to ensure they remain relevant. It is proposed that the development and operation of a recruitment and retention schemes be agreed by the General Functions Committee.

These proposals aim to strike the right balance, in difficult circumstance, between ensuring the Council remains an attractive and competitive employer of the most talented staff and controlling the Council's costs.

#### 6.3.2.6 (f) Performance Related Pay

It is further proposed that consideration be given to developing a performance related pay (PrP) Scheme for those staff assessed for two consecutive years as outstanding through the annual appraisal scheme and that this is trialled unfunded for the next 2 years with potential introduction from 2018/19 subject to member agreement and funding being available. Should the proposal be agreed a report will be brought to a future Committee when the proposal has been further developed. Feedback from staff as part of the consultation process highlighted that any scheme should recognise individual competence as well as team contribution to delivering Council priorities.

#### 6.3.2.7 (g) Pay Protection

Around 15 individuals are currently covered by a pay protection arrangement whereby a person who is redeployed to a lower graded post, has their pay protected for a period between contractual notice and 12 months. Research across the public sector supports a time-limited to a period between 6 months and 4 years. It is proposed that pay protection be time limit to 12 months following the introduction of Unified Rewards but following this 6 months for pay protection becomes the normal arrangement for all staff. Post unified rewards there will be a degree of managerial discretion regarding the period of pay protection to take into consideration individual circumstances. The definition of exceptional circumstance and the implementation of pay protection beyond 6 months should be delegated to the Chief Operating Officer in consultation with the HR Director.

#### 6.3.2.8 (h) Quality, Retainer, Overtime and Enhanced rates of pay

The Council currently has a multitude of additions to basic pay, overtime and enhanced rates of pay as part of the unified reward project we have rationalised these so that they reflect a modern way of working. Making the system easier to understand, fair and transparent.

It is proposed that the standard full time working week for all Council staff will remain at 36 hours per week, Monday to Friday with normal working day hours will be 6am to 10pm at which plain time is paid. The proposed voluntary overtime rates are outlined in table 4 below. Contractual overtime will cease from the 1<sup>st</sup> October 2016 except in a small number of cases where there are specific health and safety reasons why this needs to remain. In addition it is proposed to remove all additional discretionary payment mechanisms (ad hoc/discretionary payments, market factor supplements) with effect from 1<sup>st</sup> October 2016.

**Table 4**

Overtime Type	Proposed Rate	Current Rate
Saturday & Sunday rate	x 1.25/1.5	x 1.5/2
In excess of 36 hours per week	x 1.25	x 1.5



Overtime Type	Proposed Rate	Current Rate
Out of Hours (22:00-6:00)	x 1.5	X 1.833
Bank Holiday	x 2.0 or Day off in Lieu	X 2 & Day off in Lieu

There are a number of staff mainly in schools whereby they work term time but are paid as though they are full time 52 week workers. It is also proposed to amend the pay system so that all staff are paid in relation to the weeks that they work. The proposed implementation dates for these changes are 1<sup>st</sup> October 2016 for Council staff and 1<sup>st</sup> April 2017 for Community School based staff.

It is proposed that retainer pay be removed for all Council staff with effect from 1<sup>st</sup> October 2016 and on the 1<sup>st</sup> April 2017 for School based staff. It is proposed that quality pay be removed for all staff with effect from 1<sup>st</sup> October 2016.

#### 6.3.2.9 (j) Annual leave

The current system of annual leave varies depending on grade and which terms and conditions of service that staff are employed on and are between 22 and 36 days.

The proposal is to move 30 days annual leave for all staff and that staff currently receiving more than 30 days annual leave per annum are protected at 31 days per annum for a period of 12 months. The revised arrangements are to be introduced with effect from 1<sup>st</sup> April 2017.

#### 6.3.2.10 (k) Occupational sick pay

Excellent attendance is expected from all staff. Currently Barnet employees have in excess of 10 days absence per year on average compared to the public sector average of 6.5 days. The majority of sickness within the Council is short term sickness. It is proposed that consideration be given to having a sick pay scheme that is both comparable with other public sector organisations but has a component that allows claw back where absence is persistent and short term.

The outcome from the staff consultation events clearly demonstrates that for the Council's workforce, the sickness policy is a contentious and divisive issue. There is no way in which it could be said the proposals have won the "hearts and minds" of Council staff and managers. However, it is accepted by all that the policy is in need of a review.

It is not proposed to change the entitlement to sick pay at 6 months full pay/ 6 months half pay arrangements depending on the length of continuous service.

It is proposed to introduce a new Absence Management Code of Practice that reduces the sickness trigger levels. The current short-term absence triggers (10 days or 4 periods of within any 12 month period) would be changed to 8 days absence or after the second occasion of sickness absence within any rolling 12 month period (See table 5 below). Salary reductions would be imposed on those staff with unsatisfactory absence.

The reduction would be 1 day at the first trigger, 2 days at the second trigger and 3 days at the third trigger. As part of the negotiations with the trade unions thought that sickness could be better managed within the Council and they requested that the decision to implement pay deductions be deferred for 12 months and that they should be involved in a review before any pay deductions were implemented. It is therefore proposed that the revised scheme be introduced on 1<sup>st</sup> October 2016 for Council staff and 1<sup>st</sup> April 2017 for Community School based staff but the introduction of any scheme of pay deductions are deferred for 12 months from implementation.

As outlined in the EIA, implementation of this element of the proposals will be monitored by protected characteristics.

**Table 5**

<b>Trigger</b>	<b>Sickness level</b>	<b>Salary Deduction</b>
1	8 days or 3 occurrences within 12 months	1 days' pay
2	Another occurrence/absence within 12 months	2 days' pay
3	Another occurrence/absence within 12 months	3 days' pay

#### **6.3.2.11 (I) Car Allowances**

There are approximately 350 posts across the Council which are designated as "essential car users"; as such, the postholders each receive an equivalent lump sum of £963p.a. together with business mileage at 40.9p per mile. There are a number of criterion for being designated an essential car user and some occupations automatically receive the allowance regardless of the mileage undertaken. This needed to be reviewed to make this both based on need, fairness and transparency. Other staff who need a car for work but do not meet the criteria for essential car user allowance are paid as casual car user with business mileage at 52.2p per mile.

In terms of car allowances, it is proposed that the Council will apply a single criterion of 2,500 miles per annum for eligibility for an essential car user allowance and remove the allowance for those not meeting the required criteria and to remove the allowance for those not meeting the required criteria with effect from 1st April 2017.

As part of consultation with staff it became apparent that the loss of a significant sum in relation to the social care workforce would potentially create recruitment and retention issues relating to these staff. The Council does not wish to inadvertently create an issue with this group of workers but it also appropriate to maintain the Council's approach to the receipt of essential car user allowance moving forward. It is therefore proposed to look at the whole salary package for these hard to fill/retain worker basic pay to where ever

possible negate the loss of essential car user allowance through a retention payment.

#### **6.3.2.12 (m) Employee Benefits**

Modern employers now routinely offer a range of non-salary benefits, such as childcare vouchers, high street discounts and vouchers, discount leisure opportunities, car and bicycle loans and discounts and the trading of annual leave. It is proposed that the Council provide a comprehensive employee benefits offer subject to viability and it being at no cost to the Council.

### **7. IMPLEMENTATION**

- 7.1 If the proposals are agreed then the Council intends to write to Council staff in April 2016 and Community School staff between May and July 2016 outlining the job title, revised grading, salary and new terms and conditions of employment.

All staff will have the opportunity to appeal against the revised grading for their post.

The Council remains fully committed to further negotiations in order to achieve a Collective Agreement. If the Council does not reach a Collective Agreement then it would be asking staff individually to agree to the new pay, grading and terms and conditions and if, and only if, this agreement is not reached then it may have to dismiss staff and immediately re-engage them on new pay, grading and terms and conditions.

The Council has developed plans to cover both options outlined above and whichever option is chosen then employees will be asked to read, sign and return one copy of the new contract before the implementation date to confirm their agreement.

### **8. IMPACT**

- 8.1 The proposals set out today directly affect all employees. There are no changes to the overall number of roles.
- 8.2 An Equalities Analysis has been undertaken and no specific disproportionate impacts were identified on any protected characteristics relating to the Council's Equalities Duty.

### **10. BACKGROUND PAPERS**

- 10.1 There are no background papers.

This page is intentionally left blank

## Employee Equality Impact Analysis (EIA)

### Unified Reward Proposals

**1. Delivery Unit/Function and/or Service:**

- **Whole Council**
- All staff employed by London Borough of Barnet on National Joint Council (NJC) for Local Government Services (LGS), commonly referred to as 'Green Book' and those employed on Joint National Council (JNC) for Chief Officers
- All Green Book staff employed by Community Schools

Specific exclusions:

- LBB Staff employed in the Education and Skills Service (on the basis that they will be transferred out of LBB before Unified Reward is implemented)
- Teachers
- Green Book staff employed in non-community schools
- Soulbury staff (these staff are all in Education and Skills)

**Date assessment completed:**

March 2016

**Title of project/proposal/policy change/Alternative Delivery model/organisation change being assessed:**

**Unified Reward Project**

The aim of the project is to introduce a robust, consistent, fair and equitable pay structure, based on the requirements of best practice and equal pay legislation, for all employees in scope of the review. The project will also introduce revised terms and conditions of employment. One of the overriding principles is to ensure that pay arrangements are equitable and comply with the principles of equal pay for work of equal value.

The proposals have been designed to improve the overall reward package offered to employees at the council and contains the following features (it is not a cost cutting project):

- Base rates of pay have been moved closer to market median pay from a position of around lower quartile - for the vast majority of employees (93%) this will mean their base pay will remain the same or increase
- The Council continues its commitment to pay a fair day's pay for a fair day's work by consolidating the Barnet Living Wage Supplement into the first grade meaning employees will no longer require a pay supplement to reach this level
- Annual leave has been increased to 30 days per annum and for the vast majority of employees (92%) this will mean an increase in entitlement from the current arrangements

- Employees detrimentally affected by a reduction in salary will receive 12 months' pay protection
- Local Government Occupational sick pay scheme retained - up to six months full pay and six months half pay (depending on length of service)
- Other terms and conditions have been harmonised to ensure a consistent and fairer approach across the whole Council

The following paragraphs set out the Council's proposals under the Unified Reward project:

### **Pay & Grading Structure**

In summary, the Council's proposal is to implement a new pay and grading structure that is underpinned by Hay job evaluation. The grade structure consists of 12 new grades, each with a reasonably consistent % span (around 10%-12%). The pay structure has been designed so that the maximum pay in each grade is close to the market median for the Public & Not For Profit Sector in London. Jobs have been jointly [management and unions] evaluated during the past 18 months and a robust set of job evaluation scores obtained. Jobs, and therefore jobholders, have been placed into the new grades based on the score of the job. The employee impact on base pay has then been calculated.

Pay progression through an employee's grade will be based on an annual appraisal and the achievement of objectives and targets. Employees who require development needs will receive no % increase through their grade, employees who achieve 'Satisfactory' performance will receive 0.5%, those achieving 'Good' will receive 2.25% (average value of current increment) and those achieving 'Outstanding' will receive 3.0%.

### **Pay Enhancements**

The Council's proposal is to reduce the % enhancements applied for overtime working, working at weekends and working on Bank Holidays, where these apply. These are set out in the proposal document and have been included in the analysis of pay below.

### **Annual Leave**

The Council's proposal in relation to annual leave is to introduce a flat rate of annual leave at 30 days per annum for all staff (pro-rated for hours per week and weeks per year). Employees currently entitled to more than 30 days leave will have this protected until 31 March 2018. Thereafter all employees will be entitled to 30 days per year annual leave.

Currently leave is increased after 3 and 5 years' service. It is proposed to remove the time served criterion so that in the future there is just one rate of annual leave for all employees from the first day of employment.

### **Travel Allowances**

The Council's proposal is to retain the current status of either Essential or Casual Car User. Employees will only be eligible for the Essential User Car Allowance if they travel a minimum of 2,500 miles per year on Council business. Employees who do not meet this criterion will have the essential car user allowance removed as from 1 April 2017 and be paid at the casual user

mileage rate.

### **Voluntary Health Checks**

The council is considering introducing a targeted voluntary annual health check scheme for certain employees by age category. The Council is currently working on these plans and will have more information available in the coming months.

### **Employee Benefits Package**

The Council intends to develop and introduce an employee benefits scheme. This is likely to include a range of non-salary benefits, such as childcare vouchers, high street shop discounts, discount leisure opportunities, lease cars, a cycle to work scheme and the purchase of additional annual leave.

### **Pay Protection**

Protection arising from the implementation of Unified Reward will last for 12 months from the date of implementation. Following Unified Reward, pay protection for any other reason will be limited to six months.

### **Occupational Sick Pay Scheme**

The Council's current occupational sick pay scheme is to be retained. A new Absence Management Policy is being developed to manage levels of sickness absence allowed under the occupational sick pay scheme.

This will include three triggers, which will be introduced from 1 October 2016. It is intended that the three triggers will have financial penalties attached but these will be phased in and there will be no financial penalties for the first 12 months of the new arrangements.

### **This EIA is being undertaken because it is:**

- part of a project proposal submission to the programme management board
- a result of organisation change
- Part of Barnet Transformation programme 2016 – 2020

**Other please specify:–**

### **2. Names and roles of officers completing this assessment:**

Lead officer	Graham Thurston, Project Manager
Stakeholder groups	'The Council' Strategic Commissioning Board Project Board (Tom Pike/Liz Hammond) Workforce Board Delivery Unit Board Recognised Trade Unions

	Capita (CSG) Schools & Governing Bodies
Representative from internal stakeholders (please specify)	Lesley Holland
Representative from external stakeholders (please specify)	Graeme Lennon, HR Director
Delivery Unit Equalities Network rep	N/A
Commissioning Equalities rep (where appropriate)	Lesley Holland
HR rep (for employment related issues)	Graeme Lennon Graham Thurston

### 3. Employee Profile for the Proposal

This profile is being compiled in accordance with the requirements of the Equality Act 2010. The council will also meet its responsibilities under the Data Protection Act and avoid publishing personal data that will allow identification of individuals.

HR will help you to complete the table below. Please record HR contact above. Please indicate the source of employee data and use the most relevant data (for example Delivery Unit/Service level or team level which does not encroach on individual privacy under the Data Protection Act. Please use this information in sections 4 – 8 of this EIA. Data Source: Organisation level of data:

Protected Characteristic		Team /Workforce Group (LBB Workforce)	Delivery Unit/Service (Schools workforce)	Barnet Population
<b>Gender</b>	Female	828 (59%)	1606 (93%)	
	Male	564 (41%)	113 (7%)	
	Unknown		249 (13% of total)	
<b>Age/Date of Birth</b>				
	under 20	12 (0.9%)	6 (0.3%)	
	20 - 24	35 (2.5%)	51 (3.0%)	
	25 - 29	93 (6.7%)	94 (5.5%)	
	30 - 34	138 (10.0%)	109 (6.3%)	
	35 - 39	174 (12.6%)	158 (9.2%)	
	40 - 44	157 (11.3%)	237 (13.8%)	
	45 - 49	189 (13.6%)	334 (19.4%)	
	50 - 54	238 (17.2%)	310 (18.0%)	
	55 - 59	187 (13.5%)	246 (14.3%)	
	60 - 64	162 (11.7%)	173 (10.1%)	
65 and over	0	0		
	Unknown	7 (0.5% of total)	250 (12.7% of total)	
<b>Ethnicity</b>	<b>White</b>			
	British	660 (53%)	682 (57%)	



Protected Characteristic		Team /Workforce Group (LBB Workforce)	Delivery Unit/Service (Schools workforce)	Barnet Population
	Irish Other White	43 (3%) 132 (11%)	24 (2%) 148 (12%)	
	<b>Mixed</b> White and Black Caribbean White and Black African White and Asian Other Mixed	8 (<%) 9 (<%) 11 (1%) 11 (1%)	10 (1%) 5 (<1%) 8 (<1%) 18 (2%)	
	<b>Asian and Asian British</b> Indian Pakistani Bangladeshi Other Asian	95 (8%) 11 (1%) 17 (1%) 16 (1%)	136 (11%) 23 (2%) 13 (1%) 45 (4%)	
	<b>Black or Black British</b> Caribbean African Other Black	91 (7%) 102 (8%) 29 (2%)	17 (1%) 26 (2%) 29 (2%)	
	<b>Chinese or Other Ethnic Group</b> Chinese Other Ethnic Group	7 (<1%)	10 (1%)	
<b>Disability</b>	<b>Yes</b> <b>No</b> <b>Prefer not to say/Unknown</b>	76 (6%) 1172 (94%) 144 (10% of total)	40 (5%) 778 (95%) 1150 (58% of total)	
<b>Gender Identity</b>	<b>Transsexual/Transgender</b> (people whose gender identity is different from the gender they were assigned at birth)	Insufficient Data – just 0.2% have indicated that they were a different gender at birth		
<b>Pregnancy and Maternity</b>	Pregnant	Not analysed		
	Maternity Leave (current)			
	Maternity Leave (in last 12 months)			
<b>Religion or Belief</b>	Agnostic	34 (3%)	11 (1%)	
	Atheist	54 (5%)	19 (2%)	
	Buddhist	9 (1%)	7 (1%)	

<b>Protected Characteristic</b>		<b>Team /Workforce Group (LBB Workforce)</b>	<b>Delivery Unit/Service (Schools workforce)</b>	<b>Barnet Population</b>
	Christian	609 (53%)	392 (47%)	
	Christian/Jewish			
	Hindu	75 (7%)	93 (11%)	
	Humanist	3 (<1%)	1 (<1%)	
	Jain	7 (1%)	12 (1%)	
	Jewish	35 (3%)	30 (4%)	
	Muslim	64 (6%)	106 (13%)	
	Sikh	5 (<1%)	9 (1%)	
	Other, please specify	46 (4%)	58 (7%)	
	No Religion	203 (18%)	103 (12%)	
	Prefer not to say/Unknown	<b>248 (18% of total)</b>	<b>1127 (57% of total)</b>	
<b>Sexual Orientation</b>	Heterosexual	Insufficient data – only 1.6% have indicated that they are Bisexual, lesbian or gay		
	Bisexual			
	Lesbian			
	Gay			
<b>Marriage and Civil partnership</b>	Civil Partner	12 (1%)	12 (1%)	
	Cohabiting	109 (9%)	52 (6%)	
	Divorced	67 (6%)	61 (7%)	
	Married	489 (43%)	517 (60%)	
	Separated	21 (2%)	27 (3%)	
	Single	446 (39%)	165 (19%)	
	Other, please specify	6 (<1%)	27 (3%)	
	Unknown/Prefer not to say	<b>242 (17% of total)</b>	<b>1103 (56% of total)</b>	

**4. How are the equality strands affected?** *Please detail the positive/negative or neutral effect on each equality strand, and any mitigating action you have taken / required. Please include any relevant data and source. If you do not have relevant data please explain why and when you will capture the data.*

**Notes:**

The analysis behind this Equality Impact Assessment is based the EHRC guidance, which states that patterns of variances of greater than +/-3% should be investigated further and individual variances greater than +/-5% should be investigated further.

Equality Strand	Affected?	Explain how affected
1. Age	Council – Yes	Positive <input checked="" type="checkbox"/> Negative <input type="checkbox"/>
	Schools - Yes	Neutral <input type="checkbox"/>

**Explanation of impact:**

The overall impact of the new pay arrangements on pay is for 93% of all employees to remain on the same base pay or higher, with only 7% reducing the hourly rate of pay. Therefore, the overall impact has been assessed as 'Positive'.

There are two specific age categories where there is a slight disparate impact (one in the Council and one in Schools) and these are explained below.

There is no disparate impact on employees in the Council apart from a slight impact on employees in the age category of 50 to 54. 17% of the Council's employees are in this age range but 21% of employees negatively impacted are in this age range. This is only a 4% variance and as such represents a minor disparity (a 3% variance would not be reported). This is largely due to workers in Streetscene where many of the Refuse Loaders are in this age category and they are negatively impacted by the removal of contractual overtime and quality pay.

There is no disparate impact on employees in Schools apart from a slight impact on employees in the age category of 55 – 59. 13% of Schools' employees are in this age range but 18% of employees negatively impacted are in this age range. This is only a 5% variance and as such represents a minor disparity (a 3% variance would not be reported). These are mainly Teaching Assistants who will move from 52 weeks pay to term time only. Others affected are also employees who currently receive additional paid weeks per annum but nonetheless work term time only (employees on 'so called' retainer pay). The reason they fall into older categories is that the current arrangements to pay some Teaching Assistants for 52 weeks of the year is a protected arrangement from around 2002 (when the Council implemented 'Single Status') and as such employees in this position are longer serving and therefore tend to be older.

The proposed annual leave arrangements will increase annual leave for nearly all employees in the Council. There are an estimated 134 (9.6%) employees with 31 days annual leave and a further 12 (0.8%) with 36 days annual leave. These 146 employees will be protected for a year at 31 days and will then reduce to 30 days per annum thereafter.

The proposed annual leave arrangements will increase annual leave for nearly all employees in the Schools. There are an estimated 131 (6%) employees with 31 days annual leave. These employees will be protected for a year at 31 days and will then reduce to 30 days per annum thereafter.

Therefore the annual leave proposal benefits 92% of all employees.

**Indicate any action planned or taken to mitigate negative impact?**

Teaching Assistants in schools reducing from 52 week contracts to term time only contracts are being assimilated to the maximum of the new grade to reduce the loss they might otherwise have. Refuse Loaders are also being assimilated to the maximum of the grade in order to reduce the overall loss in pay due to the removal of contractual overtime and Quality Pay. In addition, the council's proposals include a period of 12 month's salary protection to cushion the blow of employees reducing salary as a result of the Council's proposals.

There are no further plans to mitigate the loss of pay as the overriding aim of the project is to comply with equal pay legislation and ensure equity in pay. The move to TTO from 52 weeks is an essential element in achieving that aim as is the removal of retainer payments (additional weeks per year)

The Council's proposals include protecting annual leave entitlement (up to a maximum of 31 days per annum) for any employee currently above the proposed 30 days per annum.

The Council policy on voluntary health screens is currently undeveloped and a EI A will be carried out before this scheme is introduced.

Equality Strand	Affected?	Explain how affected
2. Disability	Council - No	Positive <input type="checkbox"/>
	Schools - No	Negative <input type="checkbox"/>
		Neutral <input checked="" type="checkbox"/>

**Explanation of impact:**

There is no disparate impact on staff in the Council or in Schools connected with the pay related proposals and as such the overall impact has been assessed as 'Neutral'.

The new Absence Management Policy will include details on how management discretion will be applied to employees with a disability so that they are not disproportionately impacted by their disability following the introduction of the new policy and the sickness triggers.

There are 11 disabled people negatively impacted by the annual leave proposals. They will lose either 1 or 6 days annual leave.

**Indicate any action planned or taken to mitigate negative impact?**

The council's proposals include a period of annual leave protection (to 31 days for 2017/18) to cushion the blow of employees reducing annual leave entitlement as a result of the Council's proposals.

No further mitigating action is planned as the overriding aim of the project is to comply with equal pay legislation and ensure equity in pay and conditions.

Equality Strand	Affected?	Explain how affected
3. Gender reassignment	Yes <input type="checkbox"/> / No <input type="checkbox"/>	Positive <input type="checkbox"/>
		Negative <input type="checkbox"/>
		Neutral <input type="checkbox"/>

**Explanation of impact:**  
 Not analysed – insufficient data

**Indicate any action planned or taken to mitigate negative impact?**  
 N/A

Equality Strand	Affected?	Explain how affected
4. Pregnancy and maternity	Yes <input type="checkbox"/> / No <input type="checkbox"/>	Positive <input type="checkbox"/> Negative <input type="checkbox"/> Neutral <input type="checkbox"/>

**Explanation of impact:**  
 Not analysed

**Indicate any action planned or taken to mitigate negative impact?**  
 N/A

Equality Strand	Affected?	Explain how affected
5. Race / Ethnicity	Council – Yes  Schools – Yes	Positive <input checked="" type="checkbox"/> Negative <input type="checkbox"/> Neutral <input type="checkbox"/>

**Explanation of impact:**

The overall impact of the new pay arrangements on pay is for 93% of all employees to remain on the same base pay or higher, with only 7% reducing the hourly rate of pay. Therefore, the overall impact has been assessed as 'Positive'.

The only Race category that shows a disparate impact connected with the pay related proposals in the Council is White-British. 47% of Council employees are 'White-British' but 52% of employees detrimentally affected are in this race category. This is mainly driven by the reduction in contractual overtime, voluntary overtime enhancements and other allowances.

The only Race category that shows a disparate impact connected with the pay related proposals in Schools is White-British. 35% of Schools' employees are 'White-British' but 41% of employees detrimentally affected are in this race category. This is largely driven by Teaching Assistant on 52 weeks moving to term time only pay.

The proposed annual leave arrangements would increase annual leave for 92% of Council employees.

**Indicate any action planned or taken to mitigate negative impact?**

The council's proposals include a period of salary protection to cushion the blow of employees reducing salary as a result of the Council's proposals.

No further mitigating action is planned as the overriding aim of the project is to comply with equal

pay legislation and ensure equity in pay.

Equality Strand	Affected?	Explain how affected
6. Religion or belief	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/>	Positive <input type="checkbox"/> Negative <input type="checkbox"/> Neutral <input type="checkbox"/>

**Explanation of impact:**

There is no disparate impact on the protected characteristic of religion or belief.

**Indicate any action planned or taken to mitigate negative impact?**

The council's proposals include a period of salary protection to cushion the blow of employees reducing salary as a result of the Council's proposals.

No further mitigating action is planned as the overriding aim of the project is to comply with legislation and ensure equity in pay.

Equality Strand	Affected?	Explain how affected
7. Gender / sex	Council – Yes  Schools - Yes	Positive <input type="checkbox"/> Negative <input checked="" type="checkbox"/> Neutral <input type="checkbox"/>

**Explanation of impact:**

There are a higher proportion of male employees negatively impacted by the proposals in the Council. This is largely due to male employees (41%) currently receiving around 90% of the additional payments included in the proposals.

There's a slightly higher negative impact on females in schools, which, again, is being driven by the move from Teaching Assistants on 52 week contracts to term time only and the removal of retainer pay.

These two areas are to be expected as the Council's proposals focus on a common approach to determining base pay and a general switch from variable pay to increased levels of base pay.

**Indicate any action planned or taken to mitigate negative impact?**

Teaching Assistants in schools reducing from 52 week contracts to term time only contracts are being assimilated to the maximum of the new grade to reduce the loss they might otherwise have. Refuse Loaders are also being assimilated to the maximum of the grade in order to reduce the overall loss in pay due to the removal of contractual overtime and Quality Pay. In addition, the council's proposals include a period of 12 month's salary protection to cushion the blow of employees reducing salary as a result of the Council's proposals.

No further mitigating action is planned as the overriding aim of the project is to comply with equal pay legislation and ensure equity in pay.

Equality Strand	Affected?	Explain how affected
-----------------	-----------	----------------------

8. Sexual orientation	Yes <input type="checkbox"/> / No <input type="checkbox"/>	Positive <input type="checkbox"/> Negative <input type="checkbox"/> Neutral <input type="checkbox"/>
-----------------------	--	--

**Explanation of impact:**

Not analysed – insufficient data

**Indicate any action planned or taken to mitigate negative impact?**

N/A

Equality Strand	Affected?	Explain how affected
9. Marital Status	Council – Yes  Schools - Yes	Positive <input checked="" type="checkbox"/> Negative <input type="checkbox"/> Neutral <input type="checkbox"/>

**Explanation of impact:**

The overall impact of the new pay arrangements on pay is for 93% of all employees to remain on the same base pay or higher, with only 7% reducing the hourly rate of pay. Therefore, the overall impact has been assessed as 'Positive'.

There is a slightly disproportionate impact on single employees (positive) in the Council

There is a slightly disproportionate impact on married employees (negative) in Schools

**Indicate any action planned or taken to mitigate negative impact?**

The council's proposals include a period of salary protection to cushion the blow of employees reducing salary as a result of the Council's proposals.

No further mitigating action is planned as the overriding aim of the project is to comply with equal pay legislation and ensure equity in pay.

Equality Strand	Affected?	Explain how affected
-----------------	-----------	----------------------

<b>10. Other key groups?</b>	Yes <input type="checkbox"/> / No <input type="checkbox"/>	Please assess Young, Parent and Adult carer.
Carers	Yes <input type="checkbox"/> / No <input type="checkbox"/>	Positive <input type="checkbox"/> Negative <input type="checkbox"/> Neutral <input type="checkbox"/>
<b>Explanation of impact:</b>		
Not analysed – no data		
<b>Indicate any action planned or taken to mitigate negative impact?</b>		
N/A		

<b>5. Overall impact and Scale</b>														
Positive impact:	Negative Impact or Impact Not Known	See below for an analysis of impact												
Minimal <input type="checkbox"/> Significant <input checked="" type="checkbox"/>	Minimal <input type="checkbox"/> Significant <input type="checkbox"/>													
<p>As the majority of employees will either stay on the same rate of pay or receive a higher rate of pay and receive more annual leave the overall impact has been assessed as significant and positive. The impacts are described in more detail below:</p>														
<b>Pay Related Impact</b>														
<p>The impact of the Unified Reward project affects all employees in the council and support staff in community schools in different ways. For Council employees only 11.5% will see a reduction in base pay – meaning 88.5% will either have higher base pay or will stay on the same base pay.</p>														
<u>Council staff impact</u>														
<table border="1"> <thead> <tr> <th>Status</th> <th colspan="2">Base Pay</th> </tr> </thead> <tbody> <tr> <td>Positive impact</td> <td>476</td> <td>34%</td> </tr> <tr> <td>Neutral</td> <td>764</td> <td>55%</td> </tr> <tr> <td>Negative impact</td> <td>152</td> <td>11%</td> </tr> </tbody> </table>	Status	Base Pay		Positive impact	476	34%	Neutral	764	55%	Negative impact	152	11%		
Status	Base Pay													
Positive impact	476	34%												
Neutral	764	55%												
Negative impact	152	11%												



**School staff impact**

Status	Base Pay	
Positive impact	1006	51%
Neutral	909	46%
Negative impact	53	3%

The base pay figures do not include the reduction in working weeks from 52 to TTO for around 400 Teaching Assistants or the removal of retainer pay for Mealtime Supervisors and Nursery Nurses. Moving all employees to a common base for calculating pay is a key element of the Council’s proposals to ensure fairness, consistency, equity and compliance with legislation.

**Annual Leave Impact**

92% of all employees gain annual leave from the Unified Reward proposals.

**Car Allowance Impact**

Initially there is no impact from changes to the car allowances as the current arrangements will remain in place until 31 March 2017. This is in line with the Council’s proposals to protect pay for 12 months. Employees who don’t meet the 2,500 miles per annum criterion will no longer be eligible for the allowance and it will be removed. The employee will then be deemed a casual car user and will be able to claim business mileage at the appropriate rate for all authorised business travel.

There are 318 employees currently in receipt of the essential car user allowance. 268 (84%) of essential car users are female. The vast majority of essential car users are Social Workers or related jobs. It is not known how many employees will meet the new criterion during 2016/17. However, as there are disproportionately more women than men in receipt of the allowance it is anticipated that the future impact will disproportionately affect more women than men – although it is anticipated that the removal of the allowance will be in proportion to those in receipt of the allowance currently.

Overall, the Unified Reward project is designed to deliver fairness and equity in pay based on sound job evaluation principles. Ensuring employees are recompensed fairly and appropriately is a key element of the overall aim. There are around 29% of the employees who receive the allowance that have claimed no mileage in the past 12 months. A further 10% have claimed less than 200 miles in the past 12 months.

**6. Outcome**

No change to decision	Adjustment needed to decision	Continue with decision <i>(despite adverse impact / missed opportunity)</i>	If significant negative impact - Stop / rethink
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**7. Please give full explanation for how the overall assessment and outcome was decided**

Although the analysis has identified some instances where there was a disparate impact compared to the overall distribution of the protected characteristic the majority of variances are within the Equality and Human Rights Commission's guidance (+/-3% and +/-5%). Where variances were outside this parameter the reason for the variance has been investigated.

In the Council most employees are either positively affected or have a neutral impact on base pay. The proportion of negatively impacted employees increases when overall pay elements are included in the analysis (such as contractual overtime). These pay elements are often paid to male employees and as these premium rates are being reduced they have a negative impact on a greater proportion of male employees.

In Schools the main driver for any reduction in pay is connected to the removal of retainer pay and the 52 week contracts that some staff have when they should have a TTO contract.

Overall, the project is designed to deliver fairness and equity in pay based on sound job evaluation principles. It is inevitable that some employees reduce pay and other increase. It is important to remember that the proposal is not seeking to reduce overall costs – in fact there will be a cost increase overall in order to move salaries closer to the market median. It is therefore considered that there are no equality issues connected with the Council's proposals that cannot be objectively justified.

The proposals and authorisation to start negotiations with the recognised trade unions was agreed by Strategic Commissioning Board on 29 September 2015.

**8. Risks identified**

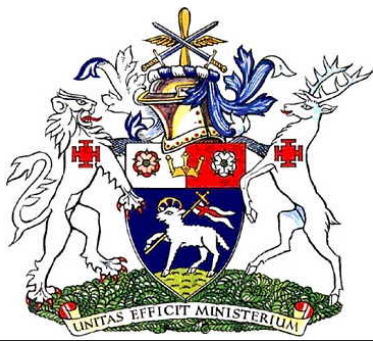
The Council will carry out regular analysis and monitoring of the impact of the new pay arrangements and conditions of employment to ensure that the stated aims of Unified Reward are met and that the new arrangements do not unintentionally have a discriminatory impact.

## 9. Equality Improvement Plan

Please list all the equality mitigations that have been identified from the Equality Analysis (continue on separate sheets as necessary). Make sure these are reflected in the project plan/ for mainstreaming and performance management purposes.

Equality Mitigation	Action	Officer responsible	By when	
Line manager training	Provide line manager training on the equality aspects of managing performance, performance appraisals (performance related progression) sickness absence, etc...			
Monitoring and reporting or performance related pay data	Overall Council analysis of performance related pay data to analyse and monitor performance outcomes by protected characteristic.			
Monitoring of sick leave by protected characteristic	Overall Council analysis of sickness data to analyse and monitor sickness outcomes by protected characteristic.			
Carry out Equal Pay Review 12 months after full implementation	Carry out an equal pay review 12 months after the full implementation of Unified Reward to ensure that the project's overall aims and objectives from an equality viewpoint are met.			
Offer occupational health advice to all employees who 'hit' the managing absence triggers	Consider offering occupational health advice to employees 'hitting' the triggers when the new policy is drafted.			
Carry out an EIA on voluntary health screens	Carry out an EIA on voluntary health screens			

This page is intentionally left blank



**General Functions Committee**  
**21 March 2016**

<b>Title</b>	<b>Barnet Living Wage Supplement</b>
<b>Report of</b>	Graeme Lennon, HR Director
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Graham Thurston, 020 8359 2115 <a href="mailto:graham.thurston@barnet.gov.uk">graham.thurston@barnet.gov.uk</a>

**Summary**

In 2013 the Council agreed to apply a minimum hourly rate of pay known as the Barnet Living Wage Supplement with effect from 1 October 2013. Since then the Barnet Living Wage Supplement has mirrored the London Living Wage. This report updates the General Functions Committee on the current London Living Wage hourly rate of pay and recommends that the Council adopts this as from 1 April 2016.

**Recommendation**

- 1. That the General Functions Committee agrees to apply the current London Living Wage rate of £9.40 per hour to be its minimum rate of pay for all employees with effect from 1 April 2016.**

**1. WHY THIS REPORT IS NEEDED**

- 1.1 This report is needed to authorise the increase in value of the Barnet Living Wage Supplement to the value of the London Living Wage.
- 1.2 The report estimates the cost of this proposal both for directly employed employees and those affected in Community Schools.

## **2. REASONS FOR RECOMMENDATION**

- 2.1 The hourly rate of pay for the London Living Wage was increased in October 2015 to £9.40 per hour for participating organisations to apply on or before 1 April 2016. The Council therefore needs to authorise the increase in its minimum hourly rate with effect from 1 April 2016.
- 2.2 Council agreed the 2016/17 pay policy statement earlier this month which states that:

‘The Council has developed a fair pay policy to ensure that it applies a minimum wage for Council employees.

“London Borough of Barnet is a fair pay employer and will apply the principles of a living wage (including taking into account the National Minimum Wage, National Living Wage, London Living Wage and national pay awards in the public sector), subject to affordability.”

Employees whose pay rate is less than the agreed amount will receive a pay supplement to bring their pay up to an equivalent of the published Barnet Living Wage rate. The minimum rate will be reviewed on an annual basis.’

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 As the Council has not sought formal accreditation to be a London Living Wage organisation the Council is under no obligation to apply the latest increase in the minimum hourly rate from £9.15 to £9.40 per hour. As such it could decide to continue with the current rate of £9.15 or another amount.
- 3.2 These options have not been recommended taking into account the pay policy statement and the fact that the Council has mirrored the London Living Wage since 2013.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 The Barnet Living Wage Supplement will apply from 1 April 2016 to 31 March 2017. A report to this committee will be produced in February 2017 that updates members of the situation as it stands at that time.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

The Council believes that no-one should do a hard day’s work for less than they can live on, and that all our staff deserve to be paid at least the Living Wage. Council considers that if everyone in London on low pay were paid at least the living wage it could potentially save the government money by increasing the tax base and reducing spend on welfare benefits.

- 5.2 In addition, the Council believes that the added benefit to the Council of paying at least the living wage include increased productivity and lower staff

turnover, which would reduce recruitment costs.

**5.3 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability).**

The London Living Wage increased from £9.15 to £9.40 per hour (2.7%) in October 2015. Accredited organisations have until 1 April 2017 to apply the revised value.

5.4 Based on the Council's current rates of pay it has been calculated that applying the rate of £9.40 per hour will cost the Council an additional £180,000 per annum on top of base pay (including on-costs at 30%) for directly employed council employees. However, it already costs the Council c£202,000 (including 30% on-costs) for the Barnet Living Wage Supplement in 2015/16. The reason for the reduction is that the cost projection does not include Education & Skills. So even after the rate has increased there is a reduction in overall costs associated with the Barnet Living Wage Supplement.

5.5 Based on the Council's current rates of pay it has been calculated that applying the rate of £9.40 per hour will cost Community Schools an additional £45,000 per annum on top of base pay (including on-costs at 30%). However, it already costs the Council c£17,000 (including 30% on-costs) for the Barnet Living Wage Supplement in 2015/16.

5.6 Although unknown at the time of writing this report the additional cost will reduce after April 2016 as the Council is expecting a nationally negotiated wage increase from the National Joint Council of around 1%. This will increase base pay rates and reduce the amount of the Barnet Living Wage 'top up'.

**5.7 Social Value**

Paying employees a living wage has a significant social benefit. It sends a signal to employees, prospective employees and the wider community that staff at the Council are important and valued assets.

**5.8 Legal and Constitutional References**

5.8.1 In accordance with [Appendix A to the Responsibility for Functions section of Barnet Council's Constitution](#) the General Functions Committee has responsibility for staff matters (i.e. salaries and conditions of service) other than those within the remit of Chief Officer Appointment Panel.

5.8.2 The Committee is also responsible for taking account of the Reward and Employment strategies of the Council with a view to ensuring that it is fully briefed on the prevailing organisational approach. In accordance with its terms of reference, the Committee must keep under review the terms and conditions as they relate to pay for all Council employees and where changes have a significant impact on the Pension Fund and/or Council budget, those decisions will also be subject to agreement by the Pension Fund Committee and/or Policy and Resources Committee.

5.8.3 The Committee takes account of forward plans and the impact of remuneration on workforce planning, talent management and succession planning.

**5.9 Risk Management**

Not applicable

**5.10 Equalities and Diversity**

Ensuring the Council's pay arrangements are fair, equitable and comply with equalities legislation are key considerations. The impact of applying the London Living Wage is a positive one for staff and no one is adversely affected.

**5.11 Consultation and Engagement**

Not applicable

**5.8 Insight**

Not applicable

**6. BACKGROUND PAPERS**

6.1 None



	<h2>General Functions Committee</h2> <h3>21 March 2016</h3>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Nominations to School Governing Bodies</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Head of Governance</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: right;"><b>Key</b></p>	<p>No</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>Appendix A - List of Ordinary Vacancies on School Governing Bodies (To Follow)</p>
<p style="text-align: right;"><b>Officer Contact Details</b></p>	<p>Sarah Koniarski, Governance Officer  <a href="mailto:sarah.koniarski@barnet.gov.uk">sarah.koniarski@barnet.gov.uk</a>                  020 8359 7574</p>

### Summary

The Committee is asked to nominate representatives in respect of local authority governor vacancies on the school governing bodies listed in Appendix A.

### Recommendation

1. That the Committee nominates representatives in respect of local authority governor vacancies on the school governing bodies listed in Appendix A.

#### 1. WHY THIS REPORT IS NEEDED

- 1.1 The Committee has a responsibility to recommend appointments to vacancies in respect of local authority governors on school governing bodies. This assists each school's governing body to be fully constituted and exercise its duties in an efficient and effective manner.

## **2. REASONS FOR RECOMMENDATION**

- 2.1 All state maintained primary, secondary and special schools are accountable to their governing bodies, which in turn are accountable to parents and the wider community. The General Functions Committee (or Full Council where an urgent decision is required) nominates candidates for appointment to local authority governor vacancies.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None

## **4. POST DECISION IMPLEMENTATION**

- 4.1 The Head of Governance in the Assurance Group of the local authority will notify the governing body of the nomination made. It is for the governing body to decide whether the local authority nominee meets any stated eligibility criteria and, if it chooses to reject the candidate on that basis, the Committee will invite the governing body to explain their reasons for refusal to the local authority via the Head of Governance.
- 4.2 General Functions Committee minutes (23 June 2015) state that where a governing body chooses to reject a candidate because they do not meet any stated eligibility criteria, it should (be invited to) explain its decision to the Head of Governance who will inform the General Functions Committee.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 To ensure that the council has robust governance arrangements that enable the delivery of its objectives as set out in the Corporate Plan, its decision making structures will be kept under review to provide effective opportunities for resident participation and engagement.
- 5.1.2 Through the timely execution of its functions, the Committee can assist school governing bodies to fulfil their duties and contribute to the corporate priorities to make sure Barnet is a place:
- of opportunity, where people can further their quality of life
  - where people are helped to help themselves, recognising that prevention is better than cure
  - where responsibility is shared, fairly
  - where services are delivered efficiently to get value for money for the taxpayer.
- 5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**
- 5.2.1 None in the context of this report.

### 5.3 Social Value

5.3.1 The Public Services (Social Value) Act 2013 is not directly applicable in the context of this report.

### 5.4 Legal and Constitutional References

5.4.1 Responsibility for nominating local authority representatives to school governing bodies is attributed to the General Functions Committee in accordance with Annex A to Responsibility for Functions. Section 1.8 of Responsibility for Functions, Functions of Full Council provides that Full Council can make appointments to school governing bodies where an urgent decision is required:

[Section 15 London Borough of Barnet Constitution - Responsibility for Functions](#)

5.4.2 All governing bodies of maintained schools are required to be constituted under either the:

[School Governance \(Constitution\) \(England\) Regulations 2012 \(as amended\)<sup>1</sup>](#)

[School Governance \(Federations\) \(England\) Regulations 2012 \(as amended\)<sup>2</sup>](#)

4.3.3 In these Regulations “local authority governor” means a person who:

- (a) is nominated by the local authority; and
- (b) is appointed as a governor by the governing body having, in the opinion of the governing body, the skills required to contribute to the effective governance and success of the school and having met any additional eligibility criteria set by the governing body.

5.4.3 The governing body must not be smaller than seven members, and must include (subject to the requirements regarding foundation governors in qualifying foundation schools and voluntary aided schools):

- at least two parent governors;
- the headteacher (unless the headteacher resigns as a governor);
- one staff governor;
- one, and only one, local authority governor; and
- the governing body may appoint as many additional co-opted governors as they consider necessary subject to conditions in the regulations.

5.4.4 An individual eligible to be a staff governor at the school may not be appointed as a local authority governor.

### 5.5 Risk Management

5.5.1 None in the context of this report.

### 5.6 Equalities and Diversity

The Committee is advised that the 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due

---

<sup>1</sup> [The School Governance \(Constitution and Federations\) \(England\) \(Amendment\) Regulations 2014](#)

<sup>2</sup> [The School Governance \(Constitution and Federations\) \(England\) \(Amendment\) Regulations 2014](#)

regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
- advance equality of opportunity between people from different groups; and
- foster good relations between people from different groups.

5.6.1 All sectors of the community are eligible for nomination to the vacancies. It is expected that all political parties will promote equalities and diversity when making nominations to vacancies.

5.6.2 In delivering this Corporate Plan, the Council's priorities and the actions it takes to deliver them will reflect our Strategic Equalities Objective which is that citizens will be treated equally, with understanding and respect, and will have equal access to quality services which provide value to the tax payer.

## 5.7 **Consultation and Engagement**

5.7.1 Not applicable.

## 5.8 **Insight**

5.8.1 Insight data has not been used to inform the decision required.

## 6. **BACKGROUND PAPERS**

6.1 The Constitution of Governing Bodies of Maintained Schools March 2015 being statutory guidance for governing bodies of maintained schools and local authorities in England published by the Department for Education:

[The Constitution of Governing Bodies of Maintained Schools Statutory Guidance.pdf](#)

The Governors' Handbook published by the Department for Education:  
[Governors' Handbook.pdf](#)