

LOCAL AGREEMENT ON TERMS AND CONDITIONS OF SERVICE

**37 Hour Standard Working Week -
Local Agreement to Minimise Implementation Costs**

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Bexley Council - Single Status Agreement

**37 Hour Standard Working Week -
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INTRODUCTION TO AGREEMENT

1. Background

As part of the National Joint Council's 1997 "Single Status Agreement" the standard working week for former manual workers and certain groups of APT&C staff reduced from 39 to 37 hours from 1 April 1999 without a loss of pay. This change is part of a significant longer term package of measures aimed at harmonising the pay, conditions and working arrangements of former APT&C and manual worker employees. *(Note: Employees whose standard working week is subject to local agreement are not covered by the reduced working week under the Single Status Agreement and are therefore excluded from the scope of this local agreement).*

Harmonisation, and in particular the immediate reduction in the working week, presents significant challenges for employees, the Council and the trade unions. The challenge for employees is to understand and support the changes that will arise in the course of implementing harmonised pay and conditions in the long term interests of fairness, equity, best value and the continuing provision of quality services. The challenge for the Council is to introduce the changes as smoothly and equitably as possible whilst avoiding an adverse impact on the Council's services and its overall financial position. The challenge for the trade unions is to fairly represent the interests of their diverse membership in negotiations aimed at harmonising pay and conditions whilst recognising the need to minimise implementation costs.

2. The need to offset costs

The implementation of the reduced working week has the potential to increase the Council's paybill by some £1m per year. This cost arises from an increase in the hourly rate of affected employees by 5.4% from 1 April 1999 which is in addition to the annual pay increase due from this date. The national Single Status Agreement encourages the local parties (ie Bexley Council and the local trade unions) to endeavour to minimise costs while ensuring service standards are maintained.

It is the view of the National Joint Council that it is in the interests of both local parties that full-time employees will generally maintain existing output levels when the standard working week is reduced. For part-time employees it is the view of the National Joint Council that existing contractual hours will be maintained and that wherever possible efforts will be made to offset the increased hourly rates of pay by more productive working methods. The National Joint Council accordingly advises the local parties to co-operate in minimising the costs of reducing the standard working week in order to protect

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jobs and services. This advice, which was included in the 1997 Agreement, was circulated again by the National Joint Council in November 1998 and most recently forms part of the 1999 pay settlement. This again reiterates the need for the local parties to the Agreement to work together to minimise the costs of the reduced working week to protect jobs and services.

Bexley, in common with all local authorities, faces severe financial pressures. Any significant additional costs mean that there is less to spend on services to the public. This is true whether the services are provided directly by Council employees or through contracts with external providers. Increased costs put the jobs of all those involved in the provision of Council services at risk.

3. Finding a way forward in Bexley

In Bexley a joint working group of management and trade unions representatives (the Single Status Joint Implementation Group) has examined working practices and other aspects of terms and conditions in order to find ways of offsetting the increase in costs. The Group has identified two main opportunities to offset costs. The first is a reduction in the attendance times of full-time employees whilst maintaining output and where possible this has been agreed and implemented from 1 April. The second involves negotiations to revise a number of plus rates and allowances paid to particular groups of employees and to review the level and type of enhanced payments made to all employees who work non-standard working patterns, including weekends, bank holidays, evenings and overtime. It is this second area of opportunity which is the subject of this agreement.

The guiding principles behind the agreement have been “no loss of pay” and “equity of impact”. The first of these is covered by a scheme of protection that forms part of the agreement. The second has proved more difficult to achieve. Given the wide variety of working arrangements and payments that apply across the Council it has not proved possible to identify changes that impact on all employees in a uniform manner. The agreement impacts on employees in one of four ways:

- (i) in some cases the agreement will offset only part of the 5.4% increase in hourly rates and employees will therefore see an increase of up to 5.4% in their gross pay in addition to the national pay increase;
- (ii) in some cases the agreement will not offset any of the 5.4% increase in hourly rates. In these cases (and in those at (i) above) it is proposed that opportunities be taken as they arise to offset some or all of the increase by any future changes to pay and conditions;

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- (iii) in some cases the agreement will fully offset the 5.4% increase in hourly rates and individual employees will notice no difference in their pay packet apart from the national annual pay increase;
- (iv) in some cases the agreement will more than offset the 5.4% increase in hourly rates and will have the potential to reduce earnings below existing levels. In these cases a scheme of pay protection will come into play to ensure no loss of pay.

Employees not affected by the reduction in the working week (ie the majority of former APT&C staff) will, subject to the two exceptions referred to in the protection agreement, remain protected on their existing terms and conditions pending further review. All new employees and (subject to the proviso in the protection scheme) existing employees applying for new jobs will be appointed on the new terms and conditions.

4. Conclusion

The development of a local agreement on these matters has been a difficult task. The principle of no loss of pay has been upheld but despite best joint endeavours it has not proved possible to devise a scheme to minimise costs where the impact is identical for everyone affected. This, however, is an inevitable consequence of a process which seeks to harmonise pay and conditions and remove anomalies and inequities. It is one of the challenges identified at the beginning of this document. In meeting this and the other challenges, those involved in the Joint Implementation Group believe that the attached proposed local agreement represents the best that can be achieved in the interests of jobs, services and employees of Bexley.

Note: An interim agreement between the Council and the trade unions dated 30 March 1999 provided for the continuation of payments and allowances in accordance with the Purple and White Books and local arrangements and the deferral of the 5.4% increase in hourly rates pending the conclusion of this local agreement to offset the costs of implementation and national agreement on the 1999 annual pay award. The latter has been implemented in the normal manner with effect from 1 April 1999.

REVISED WORKING ARRANGEMENTS, PAYMENTS AND ALLOWANCES

SECTION ONE - PRINCIPLES

The Agreement has been developed to help offset the cost of implementing the 37 hour standard working week. The agreement is based on the following principles:

1. The need to offset as far as possible the costs of introducing the revised working week in order to protect jobs and maintain value for money services to the public.
2. The need to reflect current approaches to pay and conditions adopted by other employers in both the public and private sector for particular patterns of work.
3. The need to apply, as far as possible, a consistent approach to pay and conditions issues across the various employee groups in the Council.
4.
 - (a) The need to reduce the standard working week to 37 hours for those currently working more than 37 per week; and
 - (b) The need to maintain the existing contractual working hours of part time employees at their current levels.
5. The need to eliminate outdated elements of pay which are no longer relevant to a modern approach to pay determination.
6. The need to keep options open for ways to minimise costs arising from the future implementation of other aspects of the Single Status Agreement.
7. The need to ensure "no loss of pay" as far as possible in respect of contractual and other regular payments being made to affected employees in accordance with the contract of employment in force immediately prior to the date of this agreement.

SECTION TWO - TERMS AND CONDITIONS OF SERVICE

The following terms and conditions of employment replace existing national and provincial agreements and apply to employees covered by the NJC for Local Government Services:

1. National Agreement Part 3, Section 2.3 - Working Arrangements

Note:-

(i) *This agreement is made in accordance with Part 1, Para 4 (Part 3) of the Green Book to apply from the operative date.*

(ii) *The following definitions apply to the terms used in this agreement:-*

“Basic hourly rate” is derived from the relevant spinal column point plus London Weighting.

“Plain time rate” is derived from the relevant spinal column point only.

“Standard working week” is 37 hours for all employee groups whose working week was based on a nationally agreed 39 hour week prior to 1 April 1999. It is 36 hours for all employee groups whose working week was based on a nationally agreed 36 hour week prior to 1 April 1999.

“Normal working week” refers to an employee’s contracted working hours which fall within the standard working week.

1.1 Additional Hours (Part 3, para 2.3.(a))

Payment for additional hours worked Monday to Saturday beyond the standard working week up to and including 40 hours will be paid at the basic hourly rate. Additional hours worked Monday to Saturday above 40 per week will be paid at time and a quarter of the plain time rate. All additional hours worked on a Sunday will be paid at time-and-a-half of the plain time rate.

In determining working arrangements to suit the needs of each service, managers may average or aggregate hours over a reasonable period that reflects service needs. Managers will also determine whether in exceptional circumstances a minimum payment needs to be made to an employee in order to ensure that service needs are met.

1.2 Saturday and Sunday Working (Part 3, para 2.3.(b))

Employees required to work on Saturday as part of their normal working week will be paid at the basic hourly rate.

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Employees required to work on Sunday as part of their normal working week will be paid at basic time plus a half of the plain time rate.

1.3 Night Work (Part 3, para 2.3.(c))

Employees required to work at night as part of their normal working week will receive an enhancement of a third of the plain time rate for all hours worked between midnight and 5 am.

1.4 Public Holidays (Part 3, para 2.3.(d))

Employees required to work on public holidays will, in addition to normal pay for the day, be either paid at the plain time rate for all hours worked that day or be allowed equivalent time off in lieu subject to the exigencies of the service. Additional hours will be paid at double the plain time rate in complete recompense.

1.5 Time Off In Lieu

Where practicable employees will be required to take time off in lieu on an hour for hour basis in preference to being paid for additional hours under 1.1 and 1.4 above.

2. Other Elements of Pay and Allowances

2.1 London Weighting

No part of the London Weighting Allowance will be included for the purposes of calculating the plain time hourly rate of pay.

2.2 Excess, Lieu Bonus, Evening Work, Rest and Free Day Provisions, Retainer Fees, Laundry Allowances, Split Duty and Annual Bank Fee Payments

These payments will cease to be made.

2.3 Extra Statutory Holidays

The two extra statutory days holiday will be added to annual leave entitlement (see Green Book Section 2, Para 7.4).

2.4 Home Carers non-productive time

Home Care employees will no longer be paid for non-productive time travelling between clients. Instead an allowance of 4.86% of basic pay will be added to all productive hours claimed.

2.5 Other Non-Standard Working Patterns

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Existing arrangements for working patterns not covered above will continue, for example:-

Shift working, recall to work, standby duty, sleeping-in duty, weekend working for salaried staff in residential homes.

Note: The Authority reserves the right to open negotiations at a later date on the question of introducing inclusive rates of pay as an alternative to the arrangements referred to in Section Two of this agreement.

3. Pay Protection

A scheme of protection of earnings will apply to existing employees adversely affected by the agreement in Section 2 of this document. The scheme is attached as an Appendix and forms an integral part of this agreement.

4. Future Changes to Pay and Conditions

Where opportunities arise as a result of future changes to pay and conditions of service to further offset the cost of the reduction in the working week both parties will endeavour to find ways of achieving such offsets whilst upholding the principles of this agreement.

Note: *The above agreement does not alter existing local arrangements which apply to employees whose principal terms and conditions of employment are not covered by the Green Book.*

Bexley Council - Single Status Agreement

Implementation of 37 Hour Standard Working Week

Scheme of Protection of Earnings

Introduction

Where an employee would suffer an overall reduction in earnings* as a result of applying the provisions referred to in Section Two of the "Agreement to vary terms and conditions of service" the following Scheme will apply to protect pay on a personal basis. Note that separate arrangements apply to employees who are subject to a standard 36 hour week and these are covered in (4) below.

**Earnings are defined as all contractual and other regular payments to which the employee is accustomed but excluding payments arising from additional ad hoc voluntary, incidental or casual hours and/or working arrangements.*

1. Principles

The overriding principle is set out in Section One of this Agreement, ie to ensure "no loss of pay" as far as possible in respect of contractual and other regular payments being made to affected employees in accordance with the contract of employment in force immediately prior to the date of this agreement (hereafter referred to as "existing earnings").

The scheme is not intended to apply in such a way as to provide for overall levels of payment to individual employees greater than would have been the case had the terms and conditions in existence prior to this agreement continued to apply. Where the terms of the agreement require interpretation this principle will be applied if necessary in order to give effect to the agreement.

In accordance with best practice and guidance on equal value, personal protection will not be timeless. Any personally protected arrangements under this agreement will be periodically reviewed, including when further initiatives are developed as part of implementing the Single Status Agreement.

2. Summary of Scheme

For the majority of affected employees the scheme provides for the calculation of a fixed "personally protected sum" which will be paid each pay period in addition to earnings calculated in accordance with normal terms and conditions of employment, including those applying under Section Two of this Agreement (hereinafter referred to as "future

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earnings”). The protected sum will continue to be paid until such time as it is reduced or offset by future pay increases as described below.

Where it is not possible to calculate a fixed protected sum because existing and/or future earnings vary unpredictably, actual earnings will be compared to existing earnings from time to time and where necessary a payment will be made to ensure that the “no loss of pay” principle is met.

3. Calculation of Protected Sum

(a) Employees for whom it is possible to calculate a fixed protected sum

Where it is possible to predict future earnings (eg where the employee works the same hours/pattern each week or over a cycle of weeks) the protected sum will be determined by calculating existing earnings over the week/cycle and comparing with anticipated future earnings over the same period (after applying the 1999 national pay award to both calculations) and converting any loss of earnings into an equivalent amount per pay period.

(b) Employees for whom it is not possible to calculate a fixed protected sum

Where it is not possible to predict future earnings (eg where an employee’s contractual or regular working hours depend on customer demand or other variations in workload) actual earnings will be compared from time to time with the earnings that would have been paid if existing terms and conditions had been applied to the employee’s working pattern (after applying the 1999 pay award to both calculations). Where the former figure is less than the latter a payment will be made to ensure that the principle of “no loss of pay” is applied for the period in question.

Where the protected sum or payment under (a) or (b) is less than £125 per annum a one-off payment may be made equivalent to the annual figure in complete recompense for loss of earnings arising from this agreement.

4. Employees subject to a 36 hour standard working week and those in receipt of the annual bank fee payment

Employees subject to a 36 hour standard working week will continue to be paid on their existing terms and conditions except that additional ad hoc voluntary, incidental or casual hours and/or working arrangements will be paid under the new terms and conditions of service.

The £1 annual bank fee payment will not be subject to any protection arrangements.

5. Conditions attached to personally protected payments

(i) The payment will be regarded as contractual and pensionable.

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- (ii) A certificate of protection will be issued in appropriate cases and at the appropriate time in order to protect the pension entitlement of employees to the extent permitted by the LGPS Regulations 1997.
- (iii) The payment will cease to be paid if and when the employee enters into a new contract of employment with the Council unless doing so would result in the employee not benefiting to the equivalent of at least one spinal column point above their existing point from promotion to a higher graded post. Where this is the case sufficient of the protected payment will be made to ensure that the equivalent of one spinal column benefit is received. The other conditions of this scheme will continue to apply in the new post.
- (iv) If the employee's existing contract or working arrangements are varied in such a way as to increase anticipated future earnings the protected sum will remain unchanged.
- (v) If the employee's existing contract is varied in such a way as to reduce anticipated future earnings the protected sum will be recalculated in accordance with the terms of this scheme.
- (vi) The protected sum will be recalculated and reduced by the level of any increases in pay levels arising from the future implementation of any of the following:
 - National Joint Council pay settlements from April 2000 onwards (excluding annual cost of living increases in London Weighting)
 - any further increases in pay arising from the future implementation of provisions of the Single Status agreement
 - any other agreements between the Council, the recognised trade unions or individual employees that may arise from time to time.

Document Ends