

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	19 June 2014
DIRECTOR	Angela Scott
TITLE OF REPORT	Chief Officials – Revised National Terms and Conditions of Service
REPORT NUMBER:	CG/14/076
CHECKLIST RECEIVED:	Yes

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### 1. PURPOSE OF REPORT

This report notifies committee of a new National agreement on Chief Officials' terms and conditions of employment which have incorporated into the contracts of all Chief Officials of the Council from 1 April 2014. It proposes the annual leave and pay protection provisions to be harmonised with the existing local conditions of service for SJC for Local Government Employees.

### 2. RECOMMENDATION(S)

The Committee is requested to:

- i) Note the incorporation into the existing contracts of employment of the revised SJNC Scheme of Salaries and Conditions of Service for Chief Officials by virtue of national collective agreement as detailed at Appendix 1, which came into effect on 1 April 2014.
- ii) Approve the annual leave entitlement for Chief Officials to be harmonised to that in the local terms and conditions for SJC for Local Government Employees of basic annual leave entitlement of 27 days (including 5 floating public holidays), with additional 5 days awarded for 5 years' continuous service (i.e. 32 days) and a further 3 days for 10 years' continuous service (i.e. 35 days).
- iii) Approve for all currently employed Chief Officials, that their current contractual annual leave entitlement be personally protected but for the revised provisions detailed in recommendation ii) to be applied to all new appointees.
- iv) Approve the harmonisation of the pay protection for Chief Officials to that of the pay transitioning arrangements that apply to SJC for Local Government Employees. This provision to be effective from 1 October 2014.



### 3. FINANCIAL IMPLICATIONS

There are no cost implications associated with these changes to Chief Official terms and conditions of service. The National changes bring up to date conditions for Chief Officials in line with the National SJC for Local Government Employees (the Red Book) which will result in potential savings going forward in respect of pay transitioning.

### 4. OTHER IMPLICATIONS

The incorporation of the new National conditions of service and the current restructuring of the Council provides the opportunity for all existing Chief Officials to be issued with a new main statement of Conditions of Service (employment contract). A new contract format has been produced by the Human Resources Service, which is based on the contract applied when the Council introduced its single status proposals (locally known as Equal Pay and Modernisation) for SJC for Local Government Employees.

### 5. BACKGROUND/MAIN ISSUES

#### 5.1 **Nationally agreed revised scheme of salaries and conditions of service for Chief Officials**

Recently, agreement has been reached nationally by all sides to a new SJNC Scheme of Salaries and Conditions of Service for Chief Officials. These new arrangements automatically incorporate into their contractual provisions and as such all Chief Officials need to be notified of the changes.

A summary of the main changes is contained within the circular from COSLA Reference IR/01/14 which is attached at Appendix 1. The main changes relate to:

- Annual Leave (see recommendations in paragraph 5.2 on this below)
- Preservation – previous agreement on pay preservation no longer applies. Any protection is to be determined locally. (see recommendations on this in paragraph 5.3 below)
- Disciplinary Framework for Chief Executive – replaces existing. NOTE: The Council's Managing Discipline Policy currently applies to Directors and Heads of Service and this does not change
- Capability Framework for Chief Executive – this is new. NOTE: The Council's Managing Performance Policy currently applies to Directors and Heads of Service and this does not change
- Sick Pay – This harmonises provisions with SJC for Local Government Employees with NIL pay until the employee has at least 26 weeks of continuous service then a graduated scheme rising to 26 weeks' full pay and 26 weeks' half pay in respect of 5 years' service and over

- Appeals and Grievances – the previous national provisions are discontinued and new local provisions for Chief Executives are detailed within the Scheme. The local conditions apply to Directors, Heads of Service and other Chief Officials.

There are other more minor changes for example to do with aspects of special leave provisions, etc.

The full version revised SJNC Scheme of Salaries and Conditions of Service for Chief Officials is detailed at Appendix 2.

## **5.2. Annual Leave entitlement for Chief Officials**

The circular advising Councils of changes to the new national conditions identifies annual leave reduction as an issue. The new national condition within the SJNC for Scheme of Salaries and Conditions of Service for Chief Officials in respect of annual leave is 20 days per annum, plus an additional 5 days for 5 years' continuous Local Government service. This provision harmonises the national annual leave entitlement to that of the SJC for Local Government Employees. The former 'Gold Book' national condition for annual leave for Chief Officials was 27 days plus an additional 5 days for five years' continuous Local Government service. However, in Aberdeen City there was a local condition which provided the annual leave entitlement for Chief Officials as 30 days plus an additional 5 days for five years' continuous Local Government service.

The principle to harmonise Chief Official conditions of service is apparent in the new national agreement and as such it is recommended that the Council harmonises on its own local entitlements, to those of Red Book staff. The local annual leave entitlement for Red Book staff is a basic entitlement of 27 days (including 5 floating days in respect of public holidays) plus an additional 5 days for 5 years' continuous Local Government service, plus a further 3 days for 10 years' continuous Local Government service.

It is proposed that this entitlement be applied to all newly appointed Chief Officials with immediate effect. For existing Chief Officials, in the same way the new leave arrangements were introduced for Red Book staff by EP&M, it is proposed that current annual leave entitlement for each Chief Official is personally protected.

The following excerpt is from the EP&M Local Conditions of Service which is recommended as the local condition that applies to those employed under SJNC Scheme of Salaries and Conditions of Service for Chief Officials:

### ***“4.1 Annual Leave***

*4.1.1 Every employee shall have an entitlement based on continuous service of:*

- For less than five years 27 days
- For five years or more, up to ten years 32 days
- For ten years or more 35 days

*4.1.2 This entitlement is based on full-time working and any allowance will be pro-rated. For the sake of equality holidays will be converted and calculated in hours. Guidance on the recording and authorisation of annual leave will be produced by the Head of Human Resources.*

*4.1.3 The above entitlement includes 5 days which have been converted from Public Holidays to floating days. For the purposes of this agreement these floating days have been identified as annual leave and included in the above entitlement.*

*4.1.4 The Council normally closes its main offices between Christmas and New Year. To facilitate this closure all staff where necessary are required to use two days annual leave on the days immediately following Boxing Day (or the day in lieu of Boxing Day, if it falls at the weekend).*

*4.1.5 Employees who have a total leave entitlement (i.e. annual leave plus public holidays) in excess of these provisions will have that entitlement personally protected, until such time as they leave the Council's employment.*

*4.1.6 Where an employee has been absent due to sickness for a period exceeding three months (either one period of sickness or an aggregate of more than one period) over a rolling period of the previous 12 months, annual leave will be abated to a period proportionate to actual service given during the leave year."*

### **5.3. Pay Protection (Pay Transitioning) entitlement**

The changes outlined below are against the backdrop of the Council being in the middle of a review of its organisational structure, which will mainly affect Chief Officials. Changes to conditions of service are not normally agreed when a review is underway. In particular, the provisions agreed for pay protection when the Council introduced new contractual provisions in May 2009, when it implemented its single status provisions for SJC for Local Government Employees, was 3 years' pay protection. Following this period of pay protection (i.e. in December 2012) new pay transitioning arrangements were agreed locally, which are those proposed for adoption in paragraph 5.3 below.

It is therefore proposed that the Chief Officials should receive the same level of pay protection as for SJC for Local Government Employees. That is, in view of the current review, pay protection on a cash conserved basis be for any Chief Official affected by the current ongoing organisational review for a maximum period of 3 years. However, beyond the review, this then harmonises with the current local pay transitioning arrangement detailed below. Therefore, it is

proposed that the new pay transitioning arrangement only be applied from 1 October 2014.

The following is the Local Condition of Service for Pay Transitioning which it is recommended applies to employees under the SJNC Scheme of Salaries and Conditions of Service for Chief Officials effective from 1 October 2014.

### **“Pay Transitioning**

*Pay transitioning is to be considered where a service/section/post of an employee is the subject of a review. Pay transitioning is defined as maintaining the individual employee’s hourly rate of pay in their job immediately prior to the review.*

*Where, following an organisational review, an employee is job matched into a post with a lower hourly rate of pay, pay transitioning will apply for a period of time. **The duration of pay transitioning will be 12 months in total with the first six months being at the full difference of basic hourly rate and the second six months being half the difference in the basic hourly rates.** There will be no pay transitioning of any additional contractual allowance e.g. Overtime, Non-Standard Working Week Allowance etc. This means allowances will be paid against the basic rate of the new job.*

*There will be **no pay transitioning** for employees who find themselves in redeployment situations to avoid a redundancy situation. This means where the top point of the grade of the post the employee is identified to be redeployed to is lower than that of the contracted basic hourly rate, the employee will be placed at the top point of the pay scale of the post to which they are being redeployed.*

*Where an employee is redeployed due to ill-health, once again there shall be **no pay transitioning** and shall be treated in the same way as described above. Only in situations where some form of pay transitioning is viewed as a ‘reasonable adjustment’ for a person with a disability can the pay transitioning allowance be considered.*

*Should an employee in receipt of pay transitioning allowance change their contractual arrangements this may impact on their pay transitioning allowance. An increase in contractual hours will reduce the amount of pay transitioning – as the transitional allowance will only apply on the difference in pay based on the original contracted hours.*

*Furthermore, should a pay award be granted, the value of pay transitioning allowance will decrease as the difference between the new value of the top point of the grade and the previous hourly rate of the employee”*

#### **5.4 Trade Union Consultation**

The trades unions have been consulted on the proposed policy revisions and have not raised any objections.

#### **6. IMPACT**

This long overdue review of Chief Official terms and conditions brings these up to date and harmonises them with the SJC for Local Government Employees which should be a benefit for the workforce and the Council.

Any negative impact on individual employees will be mitigated by the application of the personal protection and pay transitioning arrangements. An EHRIA has been prepared in respect of the proposals with no adverse equality issues having been identified in relation to groups with protected characteristics.

#### **7. MANAGEMENT OF RISK**

The new SJNC Scheme for Salaries and Conditions of Service for Chief Officials is largely consistent with the provisions for SJC for Local Government Employees (Red Book). Under the current interpretation of Equal Pay the introduction of the proposals should help to reduce the risk a successful claim being made against the Council.

#### **8. BACKGROUND PAPERS**

None

#### **9. REPORT AUTHOR DETAILS**

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## **PERSONNEL SERVICES CIRCULAR**

**APRIL 2014**

**INDUSTRIAL RELATIONS: 04/14**

April 2014

Dear Chief Executive

### **REVISED SCHEME OF SALARIES AND CONDITIONS OF SERVICE FOR CHIEF OFFICIALS**

**IR/01/14**

1. Councils will have now received by e-mail the new SJNC Scheme of Salaries and Conditions of Service for Chief Officials. It will be known as the Chief Officials Book and is available on the COSLA Employers website.
2. The new agreement supersedes the previous one and is fully effective from 1 April 2014.  
The purpose of this circular is to outline the main changes in the new agreement and the impact of these changes on chief officials as of 1 April. It also highlights matters which will need to be considered by councils as a consequence of the new agreement including the need for councils to inform chief officials of the new agreement and its effects on their contracts.

#### **MAIN CHANGES**

##### **Preservation**

3. The previous national agreement on preservation, including salary preservation, no longer applies. The only reference to preservation in the new national agreement (paragraph 5.4) enables future salary preservation arrangements, if any, to be determined locally.
4. The new agreement in effect means that anyone on salary preservation or indeed any other form of preservation as a result of application of the old national agreement should no longer receive such preservation after 31 March 2014.
5. Councils may wish to consider extending the scope of any local policy on salary preservation for employees under the purview of the SJC Scheme for Local Government Employees, to include chief officers. Whether chief officers coming off the national preservation arrangement on 31 March are offered a further period of preservation by the adoption of such a policy would be for each council to determine.



6. If a council has not applied the terms of the previous national agreement and a locally determined preservation arrangement is in place as a result of a local agreement, then this should continue in accordance with the terms of that agreement.

### **Annual Leave**

7. Annual leave entitlement, which was 27 days, is now harmonised with that within the SJC Scheme for Local Government Employees giving an entitlement of 20 days increasing to 25 after 5 year's service.
8. In agreeing this change it was recognised that the 20/25 day entitlement is a minimum entitlement which has been improved at a local level by many councils. The essence of the new agreement is that the entitlement which applies to SJC employees within the council should also apply to chief officials.
9. Should this mean that chief officers will see an actual reduction in their current entitlement of 27 days, it is suggested that assimilation to the reduced entitlement take effect from the start of the next annual leave year within the council.
10. If a council has not applied the terms of the previous national agreement and a locally determined annual leave arrangement is in place as a result of a local agreement, then this should continue in accordance with the terms of that agreement.
11. Discussions on this particular aspect of the national agreement also focused on flexitime arrangements within councils which apply to SJC employees but not to chief officers. In light of the changes to chief officers annual leave entitlement and from an equalities perspective it is suggested that councils which currently exclude chief officers from their flexitime arrangements give consideration to their inclusion.

### **Disciplinary Framework**

12. The national agreement introduces a new Disciplinary Framework for chief executives (Appendix A). That framework may only be modified at a local level in regard to timescales, disciplinary sanctions, length of time warnings remain 'live' and representation, to ensure that there is consistency with that which applies within the council's disciplinary procedure which applies to other chief officers.

### **Capability Framework**

13. The national agreement also introduces a new framework for councils to deal with any question or complaint as to the capability of the chief executive to fulfil the duties and responsibilities of the post (Appendix B). Again that framework may only be modified at a local level, as per the Disciplinary Framework outlined above.

### **Sick Pay**

14. Employees who start employment after 31 March 2014 will only be entitled to receive occupational sick pay if they have 26 weeks or more

continuous service as defined as per paragraph 10.1 of the national agreement at the start of the period of sickness absence.

### **Appeals and Grievances**

15. The previous provisions for local appeals and settlement of grievances no longer apply and there is no longer any right of appeal at a national level. The agreement indicates the route by which a chief executive should pursue a grievance within a council. The procedure to be followed by a council should as far as possible replicate the arrangements for other chief officers.

### **Other Conditions**

16. The above outlines the main changes arising from the new agreement. It is suggested that councils undertake an audit of the old national agreement to determine whether there are any other conditions which they have applied to their chief executive and other chief officers and which are now withdrawn from the national agreement.

### **Incorporation**

17. It is understood that all councils have a policy to automatically adopt national agreements i.e., this is reflected in the contracts/written statement of particulars of employees. Accordingly no decision of the council is required to adopt the new national agreement and the national agreement will have effect from 1 April 2014. Councils may however wish to give consideration to the issues raised in relation to salary preservation and annual leave which in turn may require council decision.

### **Notification**

18. Councils should advise chief officers of the new agreement and its effects on their contracts. It would not be feasible to outline all the changes resulting from the new agreement but councils may wish to make reference to the main issues – preservation and annual leave and in addition for the chief executive, the Disciplinary and Capability Frameworks. Councils should also make a copy of the Chief Officials Book available to the chief executive and other chief officers.
19. The new agreement will automatically apply to any employee appointed on or after 1 April 2014.
20. Any question on the terms of this circular should be directed to the Employers Team, COSLA.

Yours sincerely

Tom Young  
Employers Side Secretary

To: Chief Executives  
Heads of Personnel  
Directors of Finance