

NJC FOR LOCAL GOVERNMENT SERVICES TERMS AND CONDITIONS SURVEY 2014

Background

Last year the National Employers indicated that in the light of the Union Side's unwillingness to seriously consider change they would no longer be seeking to negotiate terms and conditions at national level. The LGA has previously carried out occasional surveys to identify the type of changes that have been made at local level to terms and conditions contained in Part 3 of the Green Book. Earlier this year a short survey was sent out on three Part 2/ Part 3 issues:

- *Sick Pay* – this issue is one that local authorities had indicated they would most like to see reformed nationally and as it was now clear that this cannot be achieved the National Employers were keen to see what was happening locally on this.
- *Car Allowances* – it is believed that a significant proportion of authorities have moved away from applying the full range of NJC provisions, with most of these moving to using HMRC rates. However information had not been formally gathered on this issue in the last few years.
- *Standard Working Week* – there has been some limited evidence that some authorities had sought to make changes to the standard working week and the survey was an opportunity to gather robust data on the issue.

Response to the Survey

The response to the survey was very good – 260 out of 376 English authorities (69%). Respondents included many authorities where pay is agreed at local level. However our understanding is that in most cases these authorities largely follow Green Book conditions.

A breakdown of responses by region and authority type - **Appendix A.**

- Key findings - **Appendix B.**

If you have any questions about the survey and its findings please contact jacky.teasell@local.gov.uk

Jacky Teasell
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APPENDIX A

BREAKDOWN OF RESPONSES BY REGION AND AUTHORITY TYPE

East of England						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	6	-	31	5	1	43

East Midlands						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	3	-	16	3	-	22

North East						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	1	4	-	4	-	9

North West						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	2	15	18	6	-	41

South East						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	4	-	26	10	-	40

South West						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	4	-	18	8	-	30

West Midlands						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	3	5	13	4	-	25

Yorkshire & Humberside						
Authority Type	County	Metropolitan	Shire District	Unitary	Other	Total Responses
Number of Responses	1	7	5	7	-	20

London Boroughs	Total Responses 30					
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TOTAL RESPONSE	260 responses					
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KEY FINDINGS

NJC SICK PAY SCHEME

1. Have you introduced any changes to the NJC Sick Scheme which will impact upon entitlement?

13 out of 260 authorities (5%) who responded said that they had introduced changes to the NJC Sick Scheme. The breakdown by region/authority type is as follows:

Region	Type of Authority	Number of Authorities
East of England	County	2
"	Shire District	2
East Midlands	County	1
"	Metropolitan	1
"	Unitary	1
London	Borough	1
South East	Shire District	1
South West	County	1
West Midlands	County	1
"	Shire District	1
"	Unitary	1

2(a). If you responded 'Yes' to Q.1 identify the changes made – reduction in maximum entitlement	5 months full pay, 5 months half-pay	4 months full pay, 4 months half-pay	3 months full pay, 3 months half-pay	Other
	1 response	1 response	3 responses	8 responses

Comments supplied in response to 'Other' being chosen for Question 2(a)

- *SSP only in first year of service. Local Government continuous service does not apply to sick pay for new employees.*
- *They have six different six pay schemes. New starters get no occupational sick pay for their probationary period which is usually six months. Some staff are on contracts which see them get no occupational sick pay for the first three or five days sickness but they can earn two additional days leave if they have no sickness in a twelve month period. They are looking to harmonise the schemes as part of equal pay/single status project.*
- *The first 5 days of any period of sickness absence is paid at an hourly rate equivalent to NJC SPC8. However, for the first period of sickness absence within a 6 month period, the first 3 days is paid at normal rate of pay.*
- *They have local policies/procedures that do not allow for any occupational sick pay during the probationary period.*
- *6 months full pay, 3 months half pay for Chief Officers only*
- *New employees regardless of the length of their Local Government service will not be entitled to receive contractual sick pay until they have 6 months (184 calendar days including weekends) continuous service with the County qualifying period. Subject to the qualifying period subsequent entitlement will be limited to 90% of normal pay for up to 6 months and 50% of normal pay for the second six months inclusive of SSP.*

- *Minimum entitlement is paid at 90% of pay. The period has not been changed.*
- *During 1st year of service – 1 months full pay/ 2nd year of service – 2 months full pay/ 3rd year of service – 4 months full pay/ during 4th and 5th year of service – 5 months full pay/ after 5 years' service – 6 months full pay*

2(b). If you responded 'Yes' to Q.1 identify the changes made – reduction in sick pay for short periods of absence	No payment for the first day	No payment for the first 2 days	No payment for the first three days	Other
	1 response	1 responses	1 responses	8 responses

Additional Comments supplied in response to Question 2(b)

- *Reduction only once absence trigger is reached. Changes to qualifying period.*
- *Days 1 at nil pay and then days 2 and 3 are paid at 80%. Additionally, approximately 80% of the workforce incur workback/payback when they reach a trigger i.e 10 days or more in 3 episodes or 5 episodes of absence of any length.*
- *No sick pay during the first 3 months of a probationary period for Chief Officers and Senior Managers.*
- *Maximum entitlement is paid at 90% of pay. The period has not been changed.*

3. How have these changes been implemented?	Collective agreement	Imposition on existing staff	Application to new employees/new contracts only	Other
	5 responses	2 responses	2 responses	3 responses

1 respondent did not answer this question

4.	Are the changes time limited?
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12 out of the 13 authorities who had made changes to the sick pay scheme indicated that the changes were not time limited. One authority did not provide a response to this question.

5.	If you have not introduced any significant changes to sick pay arrangements, have you announced to the trade unions and/or employees any intention to make changes to the sick pay scheme affecting entitlements in the next 12 months?	
6.	If you answered "Yes" to Q.5 – please summarise your options/proposals –	
Region	Type of Authority	Comments
East of England	Shire District	<i>They are in the process of changing their Attendance Management policy. The procedure has been tightened up and the trigger points have been made more demanding. UNISON have been advised that this will hopefully reduce the level of sickness absence. However, if sickness levels do not improve, a review will be undertaken and consideration will be given to changing entitlements.</i>
East of England	Shire District	<i>Trade Union and employees are being consulted about a proposal to change sick pay entitlement from standard NJC terms to one month full pay and 5 months half pay and not linked to service.</i>
East Midlands	County	<i>They went through a consultation that closed early in May. The proposal is to move to 3 months full pay and 3 months half pay.</i>
North East	Metropolitan	<i>They have given a general commitment not to pursue changes in areas that are matters for national negotiation (i.e Part 2) as this would risk undermining the national pay bargaining structure. However, the Trade Union's locally have not ruled out discussions on the calculation of sick pay so that premium rates and additional working hours might no longer be included in average pay for sickness allowances, on the basis that they don't reduce the period for which sickness allowances are paid. They have suggested that it would be helpful if the Green Book specified payment for basic pay/grade only.</i>
South East	Shire District	<i>They would like to consider stoppage of pay for the first day of absence (minimum); lower trigger points; reduce the number of stages; reduce member involvement at dismissal appeal stage.</i>
South East	Shire District	<i>Conditions to remain the same but will be locally agreed as part of the pay review – this is currently being consulted on as part of wider changes to terms and conditions.</i>
South West	Shire District	<i>Removal of sick pay entitlement during the first 6 months of service for new employers.</i>
Yorks/ Humber	Unitary	<i>Reforming sick pay has been informally discussed with the unions and raised with the workforce as part of plans to save £2m by 2017 on terms and conditions of employment. No formal proposals currently exist.</i>
Yorks/ Humber	Metropolitan	<i>Would seek to introduce proposals for a reduction to sick pay entitlements (90%)</i>

STANDARD WORKING WEEK	
7.	<p>What changes have you made to the standard working week?</p> <ul style="list-style-type: none"> • None • Reduced standard working week with commensurate reduction in pay (e.g 37 to 35 hours) for all employees • Reduced standard working week with commensurate reduction in pay for new employees only • Reduced standard working year (e.g introduced a number of unpaid leave days) • Increase in standard working week with no commensurate increase in pay • Other
8.	Date of implementation

24 authorities (8%) have made changes to the standard working week. The most common change was the introduction of several days of unpaid leave (10 responses). The number of days was generally three or four days; some respondents had made this compulsory while others had voluntary arrangements. Some additional detail on these changes is included in the examples below.

- *In 1993 all staff were put on 40 hour per week contracts. In 2002 we changed to having around half our staff (mainly office based staff) on 37 hour contracts. The rest (manual and leisure workers) stayed on 40 hours. We still have 2 staff on NJC Terms and Conditions, who are on 36 hour contracts. – 1993 was the date of implementation.*
- *Prior to 1st April we have a mixture of 37 hours/week for manual grades and 36 hrs/week for APTC. Post 2014 all will be on a standard 37 hour week – no increase in pay.*
- *Facilities exist to buy back additional leave on a voluntary basis, and employees have been encouraged to reduce the working week with commensurate drop in pay. These have had limited success. Still have a number of employees who were protected on 35 hrs 50 mins from previous local government restructuring. Intended to end protection in 2014 and move them to a 37 hour week. This will not be resisted by the TUs. A great deal of effort, with significant benefit, has been put into operational changes to achieve reductions in overtime and other additional hours working, and to reduce the amount of work undertaken at times that would otherwise attract premium rates. The daily bandwidth that only attract plain time rates have been widened, and the definition of which overtime should attract premium rates.*
- *Had considered reducing the working week to 36 hours but proposal rejected by Council*
- *We have introduced the ability for people to apply to reduce their working week on a voluntary basis through salary sacrifice arrangements*
- *Discussion ended. If £1m savings is not met they will enforce compulsory 5 days further down the line.*

- Consulting on changing the working week from 36.5 hours to 37 hours as part of wider changes
- The majority of external appointments (and many internal moves) are made on a 35 hour basis. However the standard working week remains 37 (1 April 2011).
- As part of the Single Status process the working week was increased from 36 hours 25 minutes to 37 hours. This brought us into line with the manual workforce who have always worked 37 hours. (1 January 2011)
- In Dec 2013 introduced closure of offices and forced annual leave between Christmas and New Year. (2010 – for working hours and 2013 for the annual leave Christmas closure.)
- Have introduced 2 days unpaid leave per annum on days to be determined by the council, normally within the Christmas period. (Implementation date 10 June 2013)
- Reduced standard working year (e.g introduced a number of unpaid leave days)” comment – 2 days unpaid leave for all staff. Where possible this will be taken between Boxing Day and New Year, alongside 1 days paid annual leave, to limit impact on productivity and to facilitate a Christmas close down for appropriate council buildings to save on running costs. The cost to staff is spread evenly throughout the year. If due to service delivery 2 days unpaid leave cannot be taken over the Christmas break, it should be taken at another time more convenient for the service. If the service will incur additional cover costs due to this, then an exception can be agreed and it need not be applied to those staff. This unpaid leave equates to a 0.8% pay cut for staff. (1 April 2012).
- Reduced standard working year through 1 day pay reduction (April 2014)

9.	Do the changes apply to all groups of staff excluding school teachers?
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Five councils indicated that there were some groups of staff that the policy did not apply to.

Examples given included school based staff and senior officers. In one case exemptions included a range of roles, largely social care, highways and property management. The list is subject to change depending on whether the service may incur additional costs to cover absence therefore negating the savings achieved from the application of the 2 days unpaid leave in that service.

10. How have these changes been implemented?	Collective agreement	Imposition on existing staff/dismissal and re-engagement	Application to new employees/new contracts only	Other
	12 responses	5 responses	3 responses	

11.	Are the changes time-limited?
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All of the respondents to Question 10 responded “No” to Question 11 with the exception of a Yorkshire & Humberside Met – who indicated that the changes had been implemented by collective agreement and are time-limited for 2014/15 only. One North West Unitary who had also indicated that the changes had been implemented by collective agreement did not indicate if the changes were time-limited.

CAR MILEAGE/ALLOWANCES

12.	What arrangements do you have for car mileage? <ul style="list-style-type: none">• HMRC rates for all claims• HMRC rates for casual users and NJC rates for essential users• HMRC rates for essential users and NJC rates for casual users• Full range of NJC engine sizes used• Only 1 or 2 lower NJC engine sizes used• Use of essential car user lump sum allowances• Any locally defined mileage rates, which are lower than the HMRC rate.
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Respondents were invited to choose one of the options above (plus the essential car user lump sum allowances if appropriate). Some respondents chose just one option and some chose more than two options. The summary of responses was as follows:

HMRC rates for all claims – 99 responses

HMRC rates for casual users and NJC rates for essential users – 13 responses

HMRC rates for essential users and NJC rates for casual users – 5 responses

Full range of NJC engine sizes used – 66 responses

Only 1 or 2 lower NJC engine sizes used – 46 responses

Use of NJC essential car user lump sum – 91 responses

Any local defined mileage rates which are lower than HMRC rates – 25 responses

As many respondents indicated that they had different arrangements for different groups of employees (often based on protected arrangements), it is difficult to specifically summarise all combinations. However, three key facts emerge:

- **38% of councils pay HMRC rates for all claims**
- **35% of councils still use the NJC essential user lump sum**
- **25% of councils still use all 3 NJC engine sizes used**

See below for a selection of comments provided in response to this question.

HMRC rates for all claims

- *Mileage rates were frozen for existing staff in 1998 when the HMRC rate was introduced for all new appointments. There are still a very small number of posts where it has been agreed that an essential user lump sum and associated rates will be paid. From 1 April 2012 to 31 March 2013 the HMRC rate was reduced to 35p per mile in order to assist with budget savings.*
- *Essential car users receive an additional allowance on top of HMRC rates - they are consulting on removing the additional allowance.*
- *Moving to HMRC rates for all users over a 2 year phase-in period.*
- *As a result of collective agreement (Sept 2011) we reduced mileage rates from the NJC higher rate of 65p a mile (and the lower NJC rates for smaller vehicles) to the 45p per mile rate, dropping to the 25p per mile lower HMRC rate for all mileage over 100 miles in any individual return journey.*

- *In transition between the old and the new – currently pay HMRC for all except those who still have a lease car who will continue to receive April 2008 NJC rates from 9.2p to 10.7p per mile until their current lease car contract ends at which point they will revert to HMRC rates.*
- *Revised scheme introduced in 2011 where HMRC rates apply except for existing employees claiming non-essential mileage where a protected rate of 36p applies. Alternative arrangements also exist for employees transferred from NHS.*
- *HMRC rates paid except to Public Health staff TUPE'd from NHS.*
- *Cars 'purchased' under the Council's salary sacrifice scheme are paid at HMRC regardless of casual/essential users*
- *HMRC rates for essential users and 55p per mile for casual users (local) – to be reviewed in 2015*
- *Only protected employees receive £846 essential user lump sum and 35p per mile. Existing casual users and all new starters receive HMRC rates.*
- *Currently use the NJC rates (including essential user lump sums) for all employees who were employed before January 2008. For employees who have joined since or existing staff who have changed their contracts of employment, the HMRC rates apply.*
- *HMRC rates apply to business mileage incurred after 1 April 2011 except in the case of designated essential car users who undertake more than 8500 miles per annum. In such cases the NJC for LGS essential car user scheme applies in full.*
- *Now use HMRC rates for all casual travel. For essential users we divide the lowest payment under NJC by 3000 and pay it as an additional pence per mile. So, essential users get 36.9p + 28p = 64.9p for the first 3000 miles of business travel. Thereafter they get the HMRC rate.*
- *In terms of travel, they no longer have casual or essential users, nor do they allow for engine size differences and currently pay 64p initially. They are starting consultation on reducing to HMRC rates of 45p.*

Use of NJC engine sizes

- *Lump sum and mileage rates in the upper two NJC bandings are only payable if the car emissions level are in DVLA Bands A – E*
- *We limit new starters before a certain date to lowest 2 NJC engine sizes but staff who were with the council prior to that date retain the right to the highest band. We are just reviewing options for potentially removing this entitlement and moving to HMRC rates although nothing is agreed.*
- *Pay lowest engine size rate. Also have a local rate. 14.51p for those on their Choices scheme. Essential user lump sums paid at lowest NJC rate.*
- *Staff employed before July 1993 can claim full range of NJC engine sizes. Lump sum not dependant on start date.*

Use of essential car user lump sum allowances

- *New essential users have to complete 3000 business miles and essential users are paid NJC rates on full engine sizes. Casual users are paid on NJC middle band of engine size.*
- *Agreed to retain link to NJC rates and the Essential and Casual user differentiation, but apply Class 1 lump sums and mileage rates only. Tightening criteria for Essential User designation to reduce numbers will generate further savings, and mileage reduction initiatives are in place; removal of Essential User lump sums altogether is on the table, but may not be cost effective in the long run.*
- *Essential car user allowance not taken up by employees as we have an alternative car cash locally agreed allowance for those posts which require business travel. None of the options above apply as we have locally defined essential car user mileage rates which are based on*

the HMRC rates with a locally uplifted adjustment. (NB - car mileage/allowances are currently under review following a formal consultation process.)

- *Staff who do more than 1500 miles per annum receive an essential lump sum payment. A local scheme has been put in place which provides a lump sum payment as follows if eligible - 0-120 grams CO2 £1239/121-225 grams CO2 £963/Over 226 grams CO2 £846. Mileage rates - 0-120 grams CO2 50p/121-225 grams CO2 45p/Over 226 grams CO2 40p*
- *Changes implemented in Jan 13 through collective agreement. Essential user lump sums are half the NJC rates*
- *We have introduced an annual assessment process for ECUs and use a points based system using a range of factors. Staff are only on ECU in the oncoming year if they meet our local criteria. We pay our standard lump sum for all irrespective of engine size and base this on the mid-size NJC rate.*
- *Negotiated a lower lump sum essential use allowance of £603 pa based on a % of the NJC rate.*
- *Essential car user allowance - the essential car user allowance scheme takes into consideration the environmental issue of air quality by having an incentivised progressive scheme rewarding employees where there is a specific requirement for them to use their car at work for having lower CO2 emissions rated car. The essential car user allowance will only apply to designated categories of employment where it is determined that there is an essential requirement to have a car. Employees within the above categories must travel a minimum of 2000 miles per year. (For CO2 ranges please refer to the completed survey form.) Mileage rate subject to annual review of fuel prices. The lump sum subject to annual review in line with NJC pay award on 1 Apr. The essential car user payments of 20p per mile plus lump sum are non-taxable due to not being any greater than the Inland Revenue non-taxable rate of 45p per mile as they are payments in respect of wear and tear. Casual car user allowance 45p per mile. Removed the essential car user allowance and replaced it with a protected car allowance for those staff that were under SCP25 and undertook 3000 + miles per year*
- *Removed the essential car user allowance and replaced it with a protected car allowance for those staff that were under SCP25 and undertook 3000 + miles per year*

Any locally defined mileage rates.

- *Pay 25p per mile for essential users plus £950 lump sum per year. All other users get paid 40p per mile.*
- *The business mileage rate for all designated car users is 30p per mile for the first 8,500 miles and 13.7p per mile thereafter.*
- *Casuals inside borough 40p; outside borough 30p. Essentials: inside and outside borough 30p. For both casuals and essentials after 8500 miles 13.7p for 451cc to 999cc; 14.4p 1000cc to 1199cc; 16.4p 1200cc to 1450cc*
- *40p per mile for all staff and members. No essential user allowance.*
- *40p per mile for all users*
- *Cycles, motorcycles, scooters and casual car users 25ppm/ Essential Users 35ppm. Essential user rate has been frozen until the casual Car User rate catches up.*
- *Following changes to T & Cs as part of single status negotiations the Council currently operates a range of car mileage allowances as follows: 1) Local essential user allowance (higher lump sum/lower mileage rate) discounted but subject to protection for existing users. 2) New employees - NJC mileage rates plus lump sum allowance based on 1000-1199cc banding or casual rate as appropriate. Use of 1200-1450cc banding used in exceptional circumstances for operational reasons linked to vehicle requirements - none currently in operation. 3) Lease car scheme discontinued - employees on protection arrangements*

receive a local mileage rate of currently £0.20pence per mile (subject to annual review wef 1 June).

- *Essential users 451-999 cc 1000cc and above Lump sum per annum £846 and £963. Per mile first 6500 36.9p (40.9p), after 6500 13.7p (14.4p) Casual users 451-999cc 1000cc and above Per mile first 6500 45p (45p) Per mile after 6500 13.7p (14.4p) Maximum mileage linked to HMRC level.*
- *Use AA rates 53.9p per mile for essentials. All others Oyster bus rates.*
- *First 8500 miles paid at 52.2p per mile, 14.4p thereafter*