

## Appendix 1

### NORTHUMBERLAND COUNTY COUNCIL

#### Pay Protection and Detriment Scheme

##### Introduction

- 1 The purpose of a pay protection and detriment provision is to provide an initial period of protection during which an employee is able to adjust to a reduction in earnings or other detriment incurred during the course of their employment as a result of changes to their contract.

##### Eligibility

- 2 This scheme shall not apply where an employee:
  - a) has less than two years continuous service with Northumberland County Council at the date when dismissal would take effect; or,
  - b) is employed under a contract of employment which provides for variations in hours of work and the hours of work are within those permitted under the contract; or,
  - c) is employed on a fixed term contract where the contract has/is due to expire and suitable alternative employment is secured. In cases where termination occurs during the period of the fixed term i.e. before it is due to expire, subject to a minimum of two year's continuous service, pay protection will apply until the end of the original contract period, subject to a maximum period of three years. This will apply providing the alternative is suitable, but, regardless of whether it is a further fixed term contract or a permanent contract; or
  - d) fails to undertake the duties of other suitable alternative employment in any reasonable location (the circumstances of each case will be considered on its merits). This may include working in a suitable post at the level of the protection as required; or,
  - e) fails to comply with the obligations set out in this policy or the Alternative Employment Policy; or,
  - f) is redeployed or suffers a reduction of hours in consequence of a capability or disciplinary matter; or,
  - g) receives a reduction in hours as a consequence of the implementation of a national or local agreement e.g. the core staffing review; or,
  - h) is an employee who is the responsibility of a school governing body, or is a fire-fighter; or
  - i) suffers a reduction in pay as a result of the removal of gender based pay arrangements; or,
  - j) indicates a desire to transfer to a post s/he considers to be acceptable, but which, because of the excessive travel and/or protection costs involved, is

not considered by the Executive Director and HR to represent reasonable alternative employment within the terms of the County Council's Alternative Employment Policy; or,

- k) is redeployed into or from a job which is covered by different conditions of service e.g. moving from teachers pay and conditions to NCC terms and conditions.

### General Principles

- 3 The Council shall, in all cases, be satisfied that the expenditure which an employee incurs in connection with this scheme is necessary expenditure and has been approved in advance. Cases may be reviewed by management to ensure any pay protection situation is minimised (see paragraphs 15 and 16).

### Pay Protection

- 4 Subject to the provisions of paragraph *Obligations of the Employee* below, an eligible employee who is redeployed to a post with a lower salary or pay band, or whose hours of work are reduced (but see para 2 above) by the County Council shall receive the rate of pay applicable to the new post plus 'protected pay' for a period of three years from the date of appointment to the new post.
- 5 'Protected pay' is up to the difference between the employee's current salary and the salary of new post subject to a limit of no more than 15% of the old salary.
- 6 Where both hours and pay rate have been reduced, protection will be based on the actual contractual cash loss (up to a maximum of 15% of the old contractual pay).
- 7 Where the pay rate has been reduced but hours have increased, protection will be based on the on the actual contractual cash loss (up to a maximum of 15% of the old contractual pay).
- 8 **Paragraphs 4 to 7 above do not apply to employees who are subject to the Council's Terms and Conditions of Employment for Senior Managers. In these cases, protection is limited to 6 months at the full difference between the old rate of pay and the new rate. Where an employee is redeployed from a Senior Management post into a post that is not subject to Senior Management Terms and Conditions they will receive pay protection as above i.e. the 15% rule.**
- 9 Normal incremental progression will continue to apply during the protected period.
- 10 Salary for employees who do not have a 'normal' monthly salary will be calculated as for sickness absences and holiday pay in their current substantive post over the twelve months immediately prior to the change.
- 11 Subject to the provisions of the paragraph *Obligations of the Employee* below, if, whilst protected under this scheme, an employee is again redeployed and is subject to further reductions in pay then, provided that the circumstances of that change are covered by this scheme, the original level of pay protection shall continue for the remainder of the initial three year period referred to above (or to the end of the fixed term contract). This will be followed by a further period of pay protection under the

Council's prevailing scheme, with the amount of protection during that period based on the subsequent reduction in pay. The period of protection arising from the second redeployment and reduction in pay will not exceed three years.

- 12 Where a post is otherwise suitable (i.e. job content, hours, location) but the level of pay protection is prohibitive, pay may, at the discretion of HR, be protected by no more than 15% of previous contractual pay above the substantive rate for the new job.

### **Other Elements of Pay**

- 13 Protected pay will only cover those elements of pay which are contractual. For the avoidance of doubt, essential car user allowances are not contractual.

### **Obligations of the Employee**

- 14 Whilst an employee is in receipt of pay protection the following obligations will apply:
- a) the full duties and responsibilities of the new post must continuously and conscientiously be undertaken without extra payment; and,
  - b) where hours have been reduced, extra work must be undertaken up to the previous contracted hours without additional payment. Additional hours must be reasonable i.e. excessive travelling will not be required, and each case will be considered on its merits; and,
  - c) serious and conscientious efforts must be made to secure appointment to any appropriate vacancy to which he or she is directed by the Council. Vacancies must be deemed as suitable in terms of the employee's skills and abilities; and,
  - d) co-operation with all reasonable measures designed to enable the Council to reduce the cost of protected pay or other protections, including participating in any reviews of the position; and working in a suitable post at the level of the protection as required.

### **Formal Review**

- 15 A review of pay protection or detriment payments may take place as necessary. This is not a review of the level of protection or the three year period, but an effort to align employees to a post similar to their previous post as well as to minimise costs. This may involve redeployment to a different post as well as additional training, job enrichment, additional duties etc.
- 16 In the event of an employee not meeting the above obligations, all entitlements under this scheme shall cease and the employee's pay and conditions of service shall be those pertaining to the new circumstances of the job. This will not be actioned until such time as there has been a formal discussion between the relevant line manager and the employee concerned. In addition, HR must be satisfied that it is a reasonable step to take.

### **Excess travelling expenses**

- 17 An employee whose place of work is changed will receive an allowance equal to the difference between the cost of travelling from their home to new place of work and the cost of travelling from their home to the old place of work for a period of up to three years. If the place of work is changed again whilst in receipt of excess travelling expenses they will be able to claim:
- The difference between the cost of travelling from their home to their original place of work and home to new place of work until the date of their second move (not exceeding three years), then,
  - The difference between the cost of travelling from their home to original place of work and home and second new place of work until the third anniversary of the original move.
  - After the initial three year period, they will be eligible to claim the difference between the cost of travelling from him to first new place of work, and their home to second new place of work until the third anniversary of their move to the second place of work.
- 18 For employees who have leased or SMART benefits cars, payment will be based on the relevant HMRC company car rate for a period agreed in each case, but not exceeding three years. Employees designated in their **new** post as essential car users will be paid excess mileage at the Council's agreed essential car user rates. Employees who were essential car users but are no longer such in their new post, and do not take out a leased or SMART benefits car, will be paid as below.
- 19 For casual users who use their own car for home to work transport, the relevant HMRC company car rates will be paid; or, public transport rates will be paid (as below), whichever is the least expensive. Where a casual user does not use their own car for home to work transport, payment of excess travel expenses will be on the basis of public transport rates based on second class train and/or bus fare; or the cost of a weekly/monthly/annual bus pass whichever is the least expensive. Where public transport is not available an amount based on that which would have been incurred, had it been available, will be paid. This amount will be calculated by reference to a similar journey by public transport, normally using the most direct route between the employee's home and the employee's new administrative centre; or the cost of a weekly/monthly/annual bus pass whichever is the least expensive. Reimbursement will be on the production of a receipt or other evidence of actual expenditure.
- 20 These provisions only apply where the difference between the cost of travelling (both ways) from home to the new place of work and from home to the old place of work exceeds the minimum cost of £3.99 per week (subject to annual review). Such payments will be paid for a period of three years.
- 21 Where an employee in receipt of excess travelling expenses does not travel directly between their home and their normal work base the following will apply:
- a) **Home to site(s) to new base or new base to site(s) to home** - mileage or public transport expenses to be calculated as if the employee still working at the old base i.e. actual less home to old base. All expenses are to be claimed as normal business expenses.
  - b) **Home to site(s) to home** - as (a) except that the return journey between home and old base will be deducted.

Journeys beginning or ending at the new base will be calculated by reference to the new base with the actual mileage or public transport costs claimed as a business mileage journey.

- 22 Where access to public transport is limited and an employee has no other means of travelling, the relevant Chief Officer will discuss the situation with the employee with a view to the two parties providing a solution to the situation. Each case will be considered on its merits and solutions could include homeworking, remote working, or alternative transport arrangements where possible.

### **Additional Travelling Time**

- 23 An employee who incurs additional travelling time will not normally be recompensed. Every effort will be made to facilitate flexible working such as homeworking, touchdown centres, compressed working weeks etc with a view to minimising travelling time and travel distance.

### **NOTE:**

- a Reference to Chief Officer in this scheme relates to those Officers who have delegated powers under the Council's constitution. This will normally be Heads of Service but can be other appropriate person(s) nominated by the relevant Executive Director.
- b Reference to HR in this scheme relates to appropriate Officers within the HR Service who have been granted delegated powers by the Head of Corporate Services.
- c Any circumstances which arise that are not specifically covered by this scheme will be referred to, and be subject to the discretion of HR.
- d The Head of Corporate Services will be the final arbiter in any disputes relating to the interpretation or implementation of this scheme.
- e Where an employee is dissatisfied with the application of this policy, every effort should be made to resolve the matter informally through discussion. Where this is not possible, an employee shall have a right to pursue the issue through the grievance procedure.