

Appendix A – Review of Employee Benefits - Options Appraisal

Work stream 1 Harmonisation of London Weighting

- Current Spend/Savings Potential
 - £1.25m a year above the outer London Weighting allowance
- Work stream 1 is already underway and by 15/11/10 the outcome of the staff consultation on harmonisation of London Weighting will be known.
- The consultation outcome and subsequent level of member commitment will determine the approach that this work stream will then follow as shown in the table below:
 - **N.B.** If some staff do not accept the London Weighting offer, then member commitment to terminate and reengage staff in order to harmonise London Weighting (Consultation Outcome 2) is critical to delivering the savings target for this work stream

Outcome of Staff Consultation	Member Commitment	Proposed Work stream Approach & Commentary
Consultation Outcome 1 All staff accept London Weighting Harmonisation offer	Not required	Implement harmonisation of London Weighting
Consultation Outcome 2 Some staff do not accept London Weighting Harmonisation offer <i>(* In order to ensure equal pay parity, minimise employee relations issues and avoid Employment Tribunal (ET) claims - change needs to effected by November 2011)</i>	<ul style="list-style-type: none"> • Commitment given to terminate and reengage staff • <90 staff – minimum further 30 day consultation period to terminate and re-engage • 90+ staff – minimum further 90 day consultation to terminate and re-engage 	<ul style="list-style-type: none"> • Change needs to be effected by November 2011 * • This could be synchronised with moving to Brent Core Contract (Work stream 3). However Work stream 3 must start by April 2011 to do so or • If Work stream 3 is implemented in 2012, then termination and reengagement of staff because of London Weighting must take place in 2011 independently of Work stream 3
Consultation Outcome 3 Some staff do not accept London Weighting Harmonisation offer	Members do not give commitment to terminate and reengage staff	<ul style="list-style-type: none"> • Iterative and incremental change i.e. natural wastage. • N.B. the identified saving is not achieved.

Work stream 2 – Overtime

- Current Spend/Savings Potential
 - £1.4m a year on overtime
- Further analysis will be carried out on the £1.4m that is currently being spent in overtime. The findings will determine the potential to reduce overtime spend further

Work stream 3 – Move to Brent Core Contract (formerly Allowances work stream)

- Current Spend/Savings Potential
 - Brent currently spends £2.8m on various allowances.
- A ‘do nothing option’ is not acceptable in the current financial climate.
- There are however a number of options for addressing spend on allowances.
The table below sets out each option and the impact it would have on existing staff, new staff and the realisation of savings

Option	Effect on existing staff	Effect on new staff	Savings Impact & Comments
<p>Option 1: Iterative/incremental change</p> <ul style="list-style-type: none"> • Existing staff – maintain status quo • New staff - introduce revised terms and conditions 	<p>None – continue to receive allowances and other terms and conditions</p>	<p>Determine Brent core terms and conditions and new staff recruited to those terms and conditions</p>	<p>Minimal savings achieved only through turnover (this is expected to be low because of Staffing & Structure and other change projects)</p>
<p>Option 2: Iterative/incremental change and targeted changes to some terms and conditions but not allowances</p> <ul style="list-style-type: none"> • Existing staff – change pay protection policy • Existing staff - renegotiate harmonised terms and conditions (T&C) i.e. weekly hours • New staff - introduce revised terms and conditions 	<ul style="list-style-type: none"> • Pay protection policy – based on salary and London Weighting rather than total remuneration • Harmonised T&C – full time staff would all move to a 36 hour working week 	<p>Determine Brent core terms and conditions and new staff recruited to those terms and conditions</p>	<ul style="list-style-type: none"> • Minimal savings realised when this option comes into effect for staff that are then newly redeployed or newly promoted • N.B. some existing staff have legacy letters protecting old terms and conditions

Option	Effect on existing staff	Effect on new staff	Savings Impact & Comments
<p>Option 3: Iterative/incremental change and targeted changes to some terms and conditions and allowances</p> <ul style="list-style-type: none"> Existing staff – change pay protection policy Existing staff - renegotiate harmonised terms and conditions i.e. weekly hours Existing staff – staff consultation on targeted allowances/move to new Brent Core Contract New staff - introduce revised terms and conditions 	<ul style="list-style-type: none"> Redeployed/ promoted staff would move onto the Brent Core Contract and lose any protected terms and conditions Other staff in receipt of targeted allowances – move onto the Brent Core Contract and lose allowances 	<p>Determine Brent core terms and conditions and new staff recruited to those terms and conditions</p>	<ul style="list-style-type: none"> Minimal savings realised when this option comes into effect for staff that are then newly redeployed or newly promoted. N.B. some existing staff have legacy letters protecting old terms and conditions Savings from targeted allowances dependent on allowances chosen to negotiate/remove/change.
<p>Option 4 – Universal change</p> <ul style="list-style-type: none"> Existing staff – change pay protection policy Existing staff – staff consultation to move to new Brent Core Contract New staff - introduce revised terms and conditions 	<ul style="list-style-type: none"> Loss/reduction of allowances Loss of protected terms and conditions from implementation date onwards 	<p>Determine Brent core terms and conditions and new staff recruited to those terms and conditions</p>	<ul style="list-style-type: none"> Removal of allowances and determination of new Brent Core Contract offer must have Member approval. This will determine level and timing of savings to be realised. Will achieve the maximum savings available Will have achieved an essential requirement of the Move to the Civic Centre project to have flexibility clauses in staff contracts. This cannot be achieved in the other 3 options