

**To: The Chair of the Probation Board
The Chief of the Probation Board
(Copy enclosed for the Head of Human Resources)
Secretary of the Probation Board
Members of the National Negotiating Council
Members of the Standing Committee for Chief Officer Grades**

22 January 2008

NNC CIRCULAR NO.1/2008

SCCOG CIRCULAR NO.1/2008

Dear Sir/Madam

GEOGRAPHICAL SUPPLEMENTS (GSS) SCHEME

We are pleased to advise you that agreement has been reached by the employers and trade unions on the details of the Geographical Supplement Scheme for both the National Negotiating Council and Standing Committee for Probation Chief Officer Grades.

Attached at Appendix A is the Geographical Supplements Guidance for the Scheme which should be read in conjunction with the following:

1. Section 5 of the NNC Pay and Conditions of Service Modernisation Agreement which was issued in November 2005 as an attachment to NNC Circular No.5/2005; Section 5 of the Standing Committee for Probation Chief Officer Grades national agreement on Pay and Conditions of Service, which was issued in April 2006 as an attachment to SCCOG Circular No. 2/2006.
2. Appendix 1 of NNC Circular No.4/2006 – ‘Guidance on Transitional Arrangements for Allowances paid through the salary spine.’

3. Appendix A of NNC Circular No.7/2006 – ‘Guide to the Implementation of the new Pay and Grading Structure and Review of Salaries in 2006 and 2007’; Appendix 1 of SCCOG circular No.3/2006 (same title as above).

The Guidance provides the definition of a Geographical Supplement and details the National Scheme. In addition, information is given on the procedure for making applications for a Geographical Supplement assimilation and transitional arrangements.

In the event of issues arising in respect of these arrangements, they may be referred to the Joint Secretaries.

Yours faithfully

Christine Lawrie - Employers' Side Secretary - NNC & SCCOG
Judy McKnight - Trade Union Side Secretary - NNC
David Walton - Trade Union Side Secretary - SCCOG

Joint Secretaries

APPENDIX A

National Negotiating Council (NNC)

Standing Committee for Probation Chief Officer Grades (SCCOG)

Guidance: Geographical Supplements

Introduction

1. A Geographical Supplement (GS) is an addition to the pay of a group of posts at specific location(s) within a Probation Board area.
2. For a GS to be applicable there must be clear evidence of high living costs in the travel to work area that are higher than those of staff living in neighbouring areas together with major comparative recruitment and retention problems at the locations.

National Scheme

3. It will be open to Probation Boards and/or Trade Unions to make an application to the NNC and SCCOG to request that an area or locality within an area be covered by a geographical supplement; that an existing supplement be changed; or that an existing supplement be withdrawn.

Unilateral submission to the NNC and SCCOG should only be made in exceptional circumstances after local negotiating procedures have been completed. Following authorisation by the NNC and SCCOG, supplements should be reviewed at least annually and a Business Case must be submitted every three years to justify the continued payment of a supplement. Where continued payment is no longer justifiable, or a lower payment is more appropriate, the payment should be withdrawn or the value adjusted, subject to a notice period of three months.

4. A Business Case must have been submitted to the NNC and SCCOG and have been approved before the GS can apply to employees in the areas/localities concerned. Applications may be for the whole or part of an area.

A GS is expressed as a cash sum and is separately identifiable from basic pay. It ranks for pension purposes but is not enhanced when either unsocial or excess hours are worked. In the interests of transparency, GS payments are not paid through the salary spine.

5. A GS that has been approved will be implemented from the date of formal submission to the NNC and SCCOG.

London Allowance

6. London Allowance will continue to be paid to relevant employees and the Geographical Supplement Scheme will not be applicable to these employees. London Allowance will be increased from £3,420 (1 April 2005) to:

1 April 2006 £3,500

1 April 2007 £3,600

Procedure

7. The NNC and SCCOG will consider submissions in accordance with the following procedure:

i) Submission Stage one

The Business Case must provide evidence that:

- Costs for staff living in the travel-to-work area covered by the proposed Geographical Supplement are significantly greater than for staff living in neighbouring travel to work areas; and
- Comparative recruitment and retention problems have existed, over a significant period of time that have seriously adversely affected service delivery; and
- Annual staff turnover is significantly higher than that currently applicable across both the UK public and private sectors, and

The Business Case should include:

- a. The level of Geographical Supplement being sought and the location(s) to which it will apply;
- b. Details of the parties who are making the application and a named person and contact details should it be necessary to obtain further information;
- c. Explanation as to why a Geographical Supplement is needed and what it will achieve that other pay or non-pay strategies cannot;
- d. Information, including examples, as to how service delivery is being seriously adversely affected over a significant period of time across the location(s) for which the Geographical Supplement is being sought. Initiatives already in place to address explicitly these problems must also be included;
- e. Information on Market Forces Supplements that are already being paid at the relevant locations;
- f. Description of any other pay and/or non-pay initiatives used to recruit and retain staff and how successful they were;

- g. A salary survey that includes relevant comparisons for a minimum of five major local employer competitors, where practicable;
- h. Information provided from employee exit interviews, if conducted;
- i. Staff turnover data;
- j. Views of trade unions through the appropriate JNCC representatives who may be involved in the application;
- k. Information on consultation that has taken place with adjacent Probation areas on any potential repercussive effects for them of implementing the GS being sought;
- l. Any other relevant information to justify the payment of the level of Geographical Supplement sought.

ii) **Submission** Stage two: Determining the Payment Level

In the second stage, the appropriate level of payment is determined by the NNC and SCCOG. There are three levels of GS payment:

	1 April 2006	1 April 2007
Level 1	£3,500	£3,600
Level 2	£1,750	£1,800
Level 3	£875	£900

The level of payment is determined against the following headings:

- cost of living data for the area
- housing cost
- local labour market information
- other relevant information, including affordability.

Attention is given to likely aggregated housing and travel to work costs based on where staff actually live.

Where acute recruitment, retention and staff turnover difficulties are restricted to certain occupations at locations, GS payments would not be applicable. However, in such circumstances a case may exist for payment of a Market Forces Supplement.

London Fringe Allowances

- 8. The scheme of London Fringe Allowances is replaced by the provision of the Geographical Supplement system. The treatment of London Fringe Allowance enhancements to the salary spine at assimilation is as follows (See NNC Circular 7/2006 and SCPCOG Circular No3/2006):

- a. Identify relevant basic pay by removing London Fringe Allowances that are in existence at 31 March 2006 and are paid through the salary spine. Such payments will be protected for 3 years from 1 April 2006 and where such payments rank for excess hours enhancement this practice will be protected for the same period.
- b. For example: if basic pay of £23,774 (pay point 118) on 31 March 2006 includes 3 spinal increments, relevant basic pay becomes £23,079 (old pay point 115/new pay point 65) plus a £695 pay supplement - which is equivalent to the former 3 increments.

Such a supplement will be protected for 3 years from 1 April 2006 and where this payment has previously ranked, for example, for excess hours enhancement, this practice will be protected for the same period.

Transitional Arrangements

9. Prior to the publication of GS Guidance and after 1 April 2006, staff could continue to be appointed on salaries involving the payment of London Fringe Allowances similar to that detailed in the NNC Agreement 2001: Sections III 3(a) providing there are grounds to justify payment (See NNC Circular No7/2006).

However, these consequential Transitional Payments would not be paid through the salary spine but as separate payments and on a similar basis as to qualifying staff that were appointed prior to 1 April 2006 - after assimilation. Protection for such Transitional Payments is for a period up to 31 March 2009 when they would cease. These circumstances and the reason(s) for payment were required to be explained to newly appointed staff and fully detailed in letters of appointment. While such Transitional Payments are pensionable they would not qualify for excess hours payments or for other salary enhancements.

GS Implementation

10. Payment of these Transitional Arrangements cease in the event of subsequent approval being given to the payment of a GS payment. Where the relevant GS payment is less than the Transitional Payment, then the difference between the former Transitional Payment and the GS payment would continue to be paid until 31 March 2009.

For example: A NNC employee (Pay Band 3) had a basic salary of £23,217 on 2 April 2006 and a £695 pay supplement, under the 2006/2007 assimilation arrangements. This pay supplement had been paid under Section III 3 (a) of the NNC Agreement 2001 under the London Fringe Allowances provisions.

On 1 May 2007, approval was given for the payment of a £750 Geographical Supplement. As a consequence, the Transitional Payment of £695 ceases from 30 April 2007 and is replaced by the £750 Geographical Supplement from 1 May 2007.

11. Existing areas/localities covered by the former London Fringe Allowances are listed at Appendix B.

Review

12. The amounts payable at each level of GS and London Allowance will be reviewed annually, from 1 April 2008, as part of the annual pay review process. The NNC and SCCOG will conduct a review of the Geographical Supplements Scheme in April 2009.

**DEFINITION OF LONDON FRINGE DISTRICTS
(NNC HANDBOOK 2001)**

Inner Fringe covers the districts of:

Berks:	Slough	
Bucks:	Beaconsfield	
Essex:	Epping Forest	
Herts:	Broxbourne	Hertsmere
	Three Rivers	Watford
Kent:	Dartford	
Surrey:	Elmbridge	
	Epsom and Ewell	Reigate and Banstead
	Spelthorne	

Outer Fringe covers the districts of:

Berks:	Bracknell	Windsor and Maidenhead
Bucks:	Chiltern	
Essex:	Basildon	Brentwood
	Harlow	Thurrrock
Herts:	Dacorum	East Hertfordshire
	St Albans	Welwyn Hatfield
Kent:	Sevenoaks	
Surrey:	Guildford	Mole Valley
	Runnymede	Surrey Heath
	Tandridge	Waverley
	Woking	
West Sussex:	Crawley	