

Executive Management Team: 28 August 2012
Industrial Relations Committee: 6 September 2012
General Purposes and Licensing: 7 September 2012
Council: 22 October 2012

Proposed changes to Terms and Conditions

1. INTRODUCTION

- 1.1 This report outlines proposed changes to the council's terms and conditions.
- 1.2 The report details the financial implications and recommends that the proposed changes are approved.

2. BACKGROUND

- 2.1 The Council has been working on achieving its medium term financial plan which was developed in response to significant reductions in government funding over the last two years. The plan's objective has been to protect services to residents and users as far as possible. In this way council jobs are also best safeguarded. The Council's plan rightly looked at everything the council does and pays for and is categorised into five workstreams which are detailed below:

- 2.1.1 **Back office and support services** – efficiencies in these areas would show a reduction of £2.3 million by the end of 2012/13.
- 2.1.2 **Partnership working** – by working with other bodies the council will save in the region of £0.5 million from the budget in 2012/13.
- 2.1.3 **Senior Management** – recognises that the future changes in services and priorities should also be reflected by a reduction in senior management. By the end of 2012/13 savings over £400,000 will have been made.
- 2.1.4 **Service reviews** – ensuring our services are performing both at their optimum and are those which are a priority to local taxpayers, residents and customers. This review process has also identified where charges for services could increase and has led the council to make some difficult decisions, for example with regard to car parking.
- 2.1.5 **Terms and Conditions** – to review and ensure that they are appropriate in the current difficult climate.

3. TERMS AND CONDITIONS REVIEW

- 3.1 The first stage of the review was for the Employer's side of the Pay Panel (Cllrs Barry Rickman, Colin Wise and Maureen Robinson) to set objectives for the review. These discussions commenced in late 2010 and continued throughout 2011. The objectives for the review were as follows:

- Lower the pay bill in a fair and reasonable way – the reductions in cost of terms and conditions were identified to contribute £200,000 to the savings required by the financial plan.
- To respond to employee suggestions with reference Terms and Conditions
- To minimise any impact on lower paid employees
- To review any historic anomalies
- To ensure that pay, terms and conditions are fair and appropriate within the market.

- 3.2 The second stage of the review was for discussions to commence with the Employee Side of the Pay Panel (this consisted of local trade union representatives, Pam Smith (UNISON), Dave Bramley (GMB) and Steve Drodge (UNITE) who were supported by their regional officers Peter Terry (UNISON) Nicola Nixon (GMB) and Ian Woodlands (UNITE). The first meeting of the Pay Panel took place in September 2011 with further meetings in November and January.
- 3.3 All three unions consulted their members in March on a final proposal through e-mail and consultation meetings. All feedback from unions has been responded to.
- 3.4 All three unions balloted their members in July. UNITE and GMB are re-balloting their membership on the 23rd and 24th August and the results will be available at the end of August. UNISON members accepted the proposed changes on a 2:1 basis. If all three Unions accept, a collective agreement will be signed and the proposed changes will be incorporated into contracts of employment.
- 3.5 If the Unions (UNISON, UNITE and GMB) are not in a position to sign a collective agreement (because their members have not accepted the proposal), then the Council will move forward to implement the proposed changes from 1st November 2012.

4. ISSUES CONSIDERED

- 4.1 The Pay Panel considered a number of options which were submitted by the employers side, which they felt were not appropriate to pursue at this stage. These are listed below:
- Pay cut
 - Review of Incremental Progression and Pay structure
 - Changes to Standby Payments
 - Changes to Market Supplements
 - Review weekend working

4.2 The Pay Panel considered requests from employee side on enhancements to terms and conditions, which they felt were not appropriate to pursue at this stage.

- Christmas Closedown
- Review of Flexitime
- Continuous Service enhancements for ex-employees
- £250 for staff £21,000 and below
- Deferring the changes to terms and conditions and the use of reserves

5. PROPOSED CHANGES

5.1 Private Health Care

The Councils Private Health scheme was removed in mid 1990s for all new contracts and staff, existing staff retained their entitlement, and this will now be removed from 1st April 2013.

5.2 Lease Cars

Staff entitlements to lease cars will end for all those currently in receipt of one at the end of their current contract period (up to 5 years) or 31st August 2014.

At the end of the lease car contract:

Staff on Bands 9 and above will move to the 85% cash alternative. Staff on Bands 8 and below dependent on job type will move to the Essential User allowance (plus essential user mileage rate) or Casual user mileage rate.

5.3 Essential User Scheme (Band 8 and below)

The new essential user scheme (which will only apply to jobs that are visiting officers or jobs that manage across more than one site) will apply from 1st November 2012 to existing employees who choose or request to change their contract of employment and to all new employees.

This scheme will be reviewed in 2014/15.

5.4 Essential User mileage rate

The Council currently pays 50.5p per mile for essential user miles, from 1st November 2012 this will come into line with the Inland Revenue rate (currently this is 45p).

5.5 Council Vehicles for Work that are taken home

The new scheme (that the Council pays the first 10 miles to and from work and staff who work more than 10 miles away from their workbase make a contribution of 13p per mile to the fuel they use and this will be capped at £500 per annum) will apply from 1st November 2012 to existing employees who choose or request to change their contract of employment and to all new employees.

This scheme will be reviewed in 2014/15.

6. EQUALITY IMPACT ASSESSMENT

- 6.1 An Equality Impact Assessment of the proposed changes has been completed. The impact of the proposals is as below:

A higher proportion of full time, older, male employees lose out of Lease Car and Private Health changes.

7. PAY PANEL COMMENTS

- 7.1 The Panel in meeting the objectives of the Council has listened to the concerns of employee side and is now only recommending the proposed changes detailed in section 5.

8. FINANCIAL IMPLICATIONS

- 8.1 The proposed changes are estimated to achieve the following financial savings:

Year	Savings
2013/14	£40,000
2014/15 onwards	£30,000
Total	£70,000

9. ENVIRONMENTAL IMPLICATIONS

- 9.1 There are no environmental implications arising from this report.

10. CRIME AND DISORDER IMPLICATIONS

- 10.1 There are no crime and disorder implications arising from this report.

11. EMPLOYEE SIDE COMMENTS

- 11.1 The employee side have welcomed and appreciated the level and depth of consultation that has been undertaken by the Pay Panel. The UNISON members accepted the proposed changes on a 2:1 basis. GMB and UNITE have re-balloted their membership due to a low response rate to the original ballot.

12. RECOMMENDATIONS

- 12.1 That it be recommended to the Council that the proposed changes to the Terms and Conditions detailed in section 5 of this report be agreed and implemented from 1 November 2012.

For further information contact:

Manjit Sandhu
Head of Human Resources
Tel: 023 8028 5588
Email: manjit.sandhu@nfdc.gov.uk