

TRADE UNION NEGOTIATIONS
To cover items a & b

Purpose of Report

1. To provide an overview of the implications of the financial constraints expected from the Government's comprehensive spending review, due on 22 October 2010.

Background

2. Although the outcome of the comprehensive spending review is not yet known, the Coalition Government has provided sufficient information on the likely scale of the financial constraints for some robust assumptions to be made for the purposes of business planning.
3. The funding from central government is expected to reduce by 25 per cent, and it is anticipated that over the next four years the Council will need to find approximately £100 million savings to cover the gap in government funding and other pressures.
4. An early start has been made in discussing with the recognised unions how the Council can find the necessary savings through:
 - Improving how it purchases, procures and commissions its services and products
 - Continuing with its work place transformation program – improving how council properties are managed and reduced
 - Carrying out service reviews, using a “systems thinking” approach to reduce waste
 - Reviewing and reducing its management costs

In-year savings

5. A particular challenge for the council is achieving a significant amount of savings by the end of the current financial year i.e. by 31 March 2011.
6. Management costs have been identified as an area where savings need to be urgently made and work is progressing towards this. Over the summer period all Service Directors have reviewed their management structures and identified areas where posts could be removed and these proposals are currently under consideration by the Corporate Leadership Team. A particular consideration has been the span of control of each management post as in some cases this has been narrow. It is envisaged that formal consultation with affected managers will begin around November, with posts being removed by the end of the financial year.

Consultation and Negotiation with the recognised unions

7. The preliminary negotiations with the unions on pay harmonisation have been discontinued in the light of the Council's decision to harmonise to Wiltshire Council pay and other terms and conditions of employment.
8. A new round of consultation and negotiation with the recognised unions, led by the Chief Executive, commenced at the end of July. These focus on managing the financial constraints for the period 2010/11 to 2013/14 and will cover a mix of contractual and non contractual issues. The unions participating are those which are recognised for the purposes of negotiating locally the rules and agreements which supplement the National Agreement of the National Joint Council for Local Government Services on Pay and Conditions of Service and Provincial Agreements, i.e. UNISON, GMB and UNITE.
9. Apart from examining the big financial picture and the savings needed, the major focus of discussions so far has been on the revised policies which need to be in place in order to support the review of management costs within this financial year and the service reviews planned over the next four years. These are a revised Redundancy Pay policy, Redundancy policy, and Appointments policy. Good progress is being made and it is intended to bring recommended policies to the next Staffing Policy Committee meeting in early October.
10. Discussions will also consider how amendments to some temporary or permanent amendments to Wiltshire Council terms and conditions of employment could contribute to the required savings and help minimise the reduction in the number of posts across the Council.

Recommendation

11. The Staffing Policy Committee is recommended to note this overview. Updates will be provided at future meetings.

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Managing the financial constraints facing Wiltshire Council

Work to develop a business plan that sets out how the council will manage and allocate its resources over the next four years is well underway.

The plan focuses on how the council will manage a number of financial pressures including the projected 25 per cent reduction in funding from central government – this figure is still estimated and is subject to the outcome of the Government’s spending review on 22 October.

It is anticipated that over the next four years the council will need to find approximately £100 million savings to cover the gap in government funding and other pressures.

Andrew Kerr, chief executive, met with UNISON, GMB and UNITE on 25 August 2010 to discuss the emerging business plan and how the £100 million saving can be made.

It was agreed that the council will focus on four key areas to address the savings;

- Improve how it purchases, procures and commissions its services and products
- Continue with its work place transformation program - improving how council properties are managed and reduced
- Carry out service reviews, using a “systems thinking” approach to reduce waste
- Review and reduce its management costs.

In other circumstances, management reviews and any subsequent reduction would result following service reviews. However, there is joint recognition that management structures need to be reviewed more swiftly than the four year timetable outlined above.

The aim of such a review will be to identify and achieve the necessary cost savings and efficiencies as early as possible.

The council will also reduce the use of agency and contractor staff and limit or freeze recruitment, wherever this is appropriate.

Discussions will continue to consider what other actions may be needed, and to review the policies to support management and service reviews. These include a revised Redundancy Policy, Redundancy Pay Policy and Appointments Policy.

The unions will be holding meetings with their members across all four hubs in September to discuss these issues. Details of dates and venues are can be found on [The Wire](#).

Further details of what this will mean for the council and staff will be communicated on Monday 6 September. Jane Scott, Leader and Andrew Kerr, Chief Executive will update via a video blog (and transcript for those unable to access the blog). Staff face to face sessions are also being scheduled in October where Jane and Andrew will discuss the future for the council and how we plan to save money whilst continuing to invest in some priority areas over the next four years.