

REVISIONS TO TERMS AND CONDITIONS OF EMPLOYMENT

Purpose of Report

1. To recommend revisions to terms and conditions of employment in order to save an estimated £8.81 million over four years in support of the Council's Business Plan.

Background

2. The Council's Business Plan 2011 – 2015 sets out how we intend to meet the challenges we face following the general election for 2010. The coalition government is taking steps to change the way that local government will be organised and what resources it will have for the foreseeable future. The council is faced with absorbing a cut of 28.4% to its grant funding, as well as managing more than 300 new pieces of legislation. In addition the council has a new partnership landscape to deal with alongside the significant changes in the growth in numbers of older and younger people living in Wiltshire in the next few years.
3. To meet the challenges and achieve our goals we need to ensure our business and organisational structure is fit for purpose and that includes reviewing our staffing costs and making adjustments to deliver savings from those costs. The Business Plan requires that £12 million savings from staff costs are found over four years.

Negotiations with the recognised unions

4. The trade unions recognised nationally, and who negotiate the nationally agreed terms and conditions with the National Joint Council for Local Government Services (NJC) and the Joint Negotiating Council for Chief Officer and Chief Executives (JNC) are UNISON, GMB, and UNITE. These trade unions are therefore recognised locally for the purpose of negotiating changes to terms and conditions that supplement those agreed nationally by the NJC and JNC, and which can be varied via local agreements.
5. Once local agreements on terms and conditions are reached by UNISON, GMB and UNITE some of those agreements will also apply to Soulbury and teaching staff as outlined in the contracts of employment for those groups of staff.
6. A team of officers has been meeting with the three recognised trade unions since July 2010 to identify where savings can be achieved from changes to terms and conditions of employment.

7. During negotiations a wide range of options to achieve savings from terms and conditions have been proposed and explored, and some have been rejected. Relations with the trade unions have remained positive throughout the negotiations and they have clearly understood the challenges we face as a council. It was made clear at the outset that failure to find savings from costs associated with terms and conditions would mean savings from salary costs and that would inevitably mean additional job losses.
8. The proposals rejected by the trade unions are:
- Reducing overtime rates and removing unsocial hours payments
 - Withdrawing market supplements
 - Introducing charges for staff parking
 - Withdrawing the payment of home working allowances (existing payments would have continued)
 - Reducing redundancy pay by 50%
 - No pay for the first three days of sickness absence
 - A three year freeze on incremental progression
9. The **final proposals** which the trade unions agreed to consult and ballot their members on are:

- **Removal of essential and casual car user rates**

The proposal is for all staff to move to the Inland Revenue mileage rate, currently 45p for the first 10,000 miles and 25p thereafter. This already applies to a majority of staff, so the proposal will ensure consistency in the payment of mileage expenses for business travel.

Staff still in receipt of these payments will be offered a “buy out” to enable the implementation of this proposal on 1st October 2011. The “buy out” payments would be included in October pay.

There are two proposed “buy out” arrangements, one for those staff in receipt of the essential car user lump sum and mileage rate, and the other for those staff still in receipt of the casual user mileage rates. The proposed “buy out” arrangements are all based on the engine size criteria used to determine the allowances paid. The proposed “buy out” arrangements are:

Essential user lump sum

Engine size	Annual lump sum payment	One off “buy out” payment
451 cc – 999 cc	£846	£500
1,000 cc – 1,199 cc	£963	£570
1,200 cc and above	£1,239	£730

Essential user mileage rates

Engine size	Up to 8,500 miles	Over 8,500 miles p.a.	One off "buy out" payment
451 cc – 999 cc	36.9p per mile	13.7p per mile	None – HMRC rate is higher
1,000 cc – 1,199 cc	40.9p per mile	14.4p per mile	None – HMRC rate is higher
1,200 cc and above	50.5p per mile	16.4p per mile	5.5p x number of miles claimed Sept 2010 – Aug 2011 e.g. if 2,000 miles payment would be £110

Casual car user mileage rates

Engine size	One off "buy out" payment
451 cc - 999 cc	£10
1,000 cc – 1,199 cc	£30
1,200 cc and above	£80

and

Engine size	Up to 8,500 miles	Over 8,500 miles p.a.	One off "buy out" payment
451 cc – 999 cc	46.9p	13.7p	1.9p x number of miles claimed Sep 2010 – Aug 2011
1,000 cc – 1,199 cc	52.2p	14.4p	7.2p x number of miles claimed Sep 2010 – Aug 2011
1,200 cc and above	65p	16.4p	20p x no. of miles claimed Sep 2010 – Aug 2011

- **Reduction in period of pay protection**

The proposal is to reduce the period of pay protection from 3 years to 1 year for all new cases from 1st September 2011. For staff already in receipt of pay protection the 3 year arrangement will continue. In addition the council has proposed that for any TUPE'd staff who move to a Wiltshire Council contract by 31st August 2011 the 3 year pay protection period will be honoured from that date, i.e. any pay protection

arrangements will end by 31st August 2014. Any existing pay protection cases will run their course.

- **Removal of excess home to work travel for any new cases**

The proposal is that these payments will cease for any new cases from 1st September 2011. Any existing payment of excess home to work travel will continue.

- **Increment freeze for two years**

The proposal is to freeze any increments due to be paid in the period from 1st April 2012 and 31st March 2014.

10. It is considered that these final proposals have the least immediate financial impact on staff as they do not remove allowances already being paid, other than for those in receipt of the essential and casual user car allowances, or are a temporary withdrawal of a payment.

Savings deliverable through these proposals

11. These proposals will deliver approximately £8.81 million savings by 2015. This leaves a shortfall of approximately £3.19 million. Discussions on where these savings can be found will continue with the trade unions, but it is likely that these savings will be found from salary costs, and therefore some additional job losses may still be necessary.

Equality Impact Assessments

12. The impact of each proposal has been statistically analysed in terms of gender, age, ethnic minority and staff with disabilities, and this analysis has been shared with the unions. It is understood that the unions agree that none of the proposals will have a disproportionately negative impact on any of these defined groups.

Union Ballots

13. Each of the Unions are balloting their members, having held meetings to explain the proposals. All the ballots are due to close by 19 July. The result of the ballot will be reported to Committee on 20 July.

Recommendations

14. If a yes vote is returned in the union ballots, the Staffing Policy Committee is recommended to agree to the proposed changes in terms and conditions of employment.

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