

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

ITEM FOR STAFFING COMMITTEE

30 November 2015

1. **SAVINGS IN STAFF ALLOWANCE PAYMENTS**

Submitted by: Chief Executive

Portfolio: Finance, IT and Customer

Purpose of the Report

To update the Committee on the outcome of the recent review of reductions in staff allowance payments for the Council's 2015/16 budget.

Recommendations

That the Committee notes the Collective Bargaining Agreement the Council has entered into with the Joint Trade Unions.

1. **Background**

- 1.1 Recent consultations have taken place with the trade unions and employees, with a view to reduce the cost of staff allowance payments to achieve a saving of £50,000 in 2015/16 budgets.

The scope of the review and subsequent discussions included the following:

- i. Evening Meeting Allowances
Currently employees who are required to attend evening meetings are able to claim a payment instead of time off in lieu. It has been agreed to remove the 'evening meeting allowance' and staff covered by NJC terms and conditions of employment will receive time off in lieu when attending evening meetings. Those staff covered by JNC terms and conditions of employment will continue to attend evening meetings as part of their normal duties and will not be entitled to time off in lieu.

Elected Members have agreed to consider starting evening meetings earlier than 7.00pm and will endeavour to conclude meetings by 8.00pm wherever practical. This will be monitored and reviewed in January 2016 and reported back to the Joint Trade Unions.

ii) Long Service Award

Part of the original proposal was to remove the Long Service Award Scheme altogether, however during the consultation period feedback from staff and the joint trade unions was received, requesting that if the long service payments were to end, then some form of recognition of service to the council should be made. A new banded scheme was considered and agreed (see below).

20 to 30 years NBC service	31 to 40 years NBC service	41 + years NBC service
£150.00	£300.00	£450.00

It has been agreed for the existing Long Service Award Scheme to cease as of the 1st October 2015 and employees in the scheme at that date shall receive the revised payments calculated from the start of their employment with Newcastle-under-Lyme Borough Council up to their retirement leaving date, calculated in years.

The council will meet the cost of any tax and National Insurance on any payment made.

iii) Car Mileage Rates

The current mileage rates below showed that the Council paid higher mileage rates than other comparator council:

		451-999 cc	1000-1199 cc	>1200cc
Per mile for first 8,500 miles	Inside Borough	46.9p	52.2p	65.0p
	Outside Borough	31.3p	34.8p	43.3p
Per mile after 8,500 miles	Inside Borough	13.7p	14.4p	16.4p

The original proposal was to reduce the business mileage rates from 65p across the table to the HMRC mileage rate of 45p, which is widely used by other councils. However, following consultation with the Joint Trade Unions the following mileage rates have been agreed:

		451-999 cc	1000-1199 cc	> 1200 cc
Per mile for first 10,000 miles	Inside Borough	51p	53p	55p
	Outside Borough	31.3p	34.8p	43.3p
Per mile after 10,000 miles	Inside Borough	13.7p	14.4p	16.4p

- 1.2 In relation to (i), (ii) and (iii), the trade unions conducted a ballot, recommending acceptance and the majority of their members voted in favour. A Collective Agreement has been signed, agreeing to the proposed changes, effective from 1 October 2015 (Appendix A). This will deliver an estimated saving in 2015/16 of £15,800 and 2016/17 onwards an estimated saving of £30,800.
- 1.3 During the consultation process the Joint Trade Unions put forward an additional saving of approximately £800 to remove the Employee Recognition Scheme. This was agreed and forms part of the savings, effective from 1 October 2015.

2. Issues

None

3. Legal and Statutory Implications

- 3.1 Contracts of Employment and National Agreements are legally binding agreements. However, they can be lawfully varied by mutual agreement of the parties by way of collective bargaining which are provided for at this Council. The Council may delegate the discharge of its functions to officers.

4. Equality Impact Assessment

- 4.1 No significant differential impact has been identified in relation to the revised proposal.

5. Financial and Resource Implications

- 5.1 The full year (2016/17 onwards) will not achieve the targeted £50,000 saving.
- 5.2 There will be a shortfall of approximately £34,200 in respect of the estimated savings for 2015/16.