

1. REVIEW OF TERMS AND CONDITIONS OF SERVICE

Submitted by: Chief Executive

Portfolio: Finance and Budget Management

Purpose of the Report

To update the Committee on the current position regarding the above and to obtain the Committee's endorsement of the Council's proposals.

Recommendations:

- (a) That the Committee endorse the proposals attached at Appendix A.
- (b) That the Chief Executive be given the authority to approve revised proposals in consultation with the Leader of the Council, the Portfolio Holder for Finance and Budget Management and the Chair of the Employees' Consultative Committee.

Reasons

To provide the framework for a mutually beneficial agreement.

1. **Background**

- 1.1 Following the recent consultation with the trade unions and employees, entered into with a view to reviewing employees' terms and conditions to achieve a saving of £100,000 in 2013/14 budgets, the proposals at Appendix A are recommended to the Committee for endorsement.

2. **Issues/Options**

- 2.1 The Council is seeking to save £100,000 as part of the efficiency savings it is required to make as part of the 2014/15 budget. The proposals in Appendix A seek to strike a balance between the costs and benefits of the current terms and conditions of the Council and new terms. The recommendation makes provision for other options in the form of revised proposals.

3. **Proposal**

- (a) That the Committee endorse the proposals attached at Appendix A.
- (b) That the Chief Executive be given the authority to approve the revised proposals in consultation with the Leader of the Council, the Portfolio Holder for Finance and Budget Management and the Chair of the Employees' Consultative Committee.

4. **Reasons for Preferred Solution**

To provide the framework for a mutually beneficial agreement.

5. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

The appropriate terms and conditions will enable the Council to provide a Co-operative Council delivering high quality community driven services.
6. **Legal and Statutory Implications**

Contracts of employment are legally binding agreements. However, they can be lawfully varied in a number of ways including by mutual agreement of the parties by way of collective bargaining which is provided for at this Council. The Council may delegate the discharge of its functions to officers.
7. **Equality Impact Assessment**

No differential impact has been identified.
8. **Financial and Resource Implications**

The potential savings are set out above.
9. **Major Risks**

The major risks are detriment to reputation and financial loss and impairment to service in relation to potential industrial and contractual disputes and compliance with the budget framework. Such risks are mitigated through consultation and the collective bargaining process and adherence to legal requirements and process.
10. **Earlier Cabinet/Committee Resolutions**

Council, 27th February 2013.
11. **Background Papers**

Terms and conditions of employment.

Proposed Changes to Terms and Conditions

The proposed changes to terms and conditions cover the following areas:

- Public holiday arrangements/leave
- Telephone allowances
- Professional subscriptions – payment of annual fees
- Car leases.

Public Holiday Arrangements/Leave

The two 'extra statutory' holidays (taken immediately after the Spring and August Bank Holidays) to be treated as normal working days (i.e. no enhancements to basic pay payable to employees who work on these days as part of their normal working week).

Any overtime worked on these days to be paid at rates applicable to a normal working day.

Two days to be added to employees' existing annual leave entitlements (pro rata for part-time employees).

Telephone Allowances

Telephone allowances no longer to be paid.

Professional Subscriptions – Payment of Annual Fees

Professional subscriptions listed below to continue to be paid in relation to the following but only for employees who are in post at the date of implementation of the review.

- Law Society Practising Certificate
- CIPFA
- RTPI
- CIWM
- CIEH
- RICS

Membership of a relevant professional body will continue to be an essential requirement for the holders of specific posts but with the exception of the above fees reimbursed to existing employees, annual fees will no longer be paid by the Council.

Car Leases

Existing car leases that are current on the date of implementation of the review will continue to their stated expiry dates.

No requests to extend existing leases will be approved.

The Council's subsidy payment in relation to existing leases to be reduced from the date of implementation as follows:

| <u>Employee Grade</u> | <u>% Subsidy Reduction</u> |
|--|----------------------------|
| Executive Directors | 50 |
| JNC 1 & 2 | 40 |
| NJC 11-14* | 30 |
| (* includes NJC 9 with market supplements) | |
| NJC 10 | 25 |
| NJC 8-9 | 20 |
| NJC 5-7 | 10 |

The subsidy payment paid by the Council in relation to the Council's car lease scheme to be withdrawn on the expiry of the existing leases but the scheme to continue and the Council to continue to meet the cost of the vehicle insurance.

Where employees opt to terminate existing car leases early, the Council will pay any early termination penalty costs. Leases terminated early will not be available for reassignment.

Employees who have existing car leases that are due for renewal prior to the implementation date of the review, but who have had their order for a vehicle either put on hold or cancelled, will be permitted to extend their current lease on a month by month basis up to the day before the implementation date of the change.

Employees who have not previously had car leases and who have submitted applications for car leases and have had their orders for vehicles either put on hold or cancelled, will not be eligible for any subsidy in relation to a car lease.

No new applications for car leases received prior to the implementation date of the change will be eligible for subsidy.

Arrangements will be put in place for employees who currently receive a pensionable benefit in relation to their existing car leases, to be able to continue to receive pensionable remuneration benefit on the same basis as at present.