

1. REVIEW OF TERMS AND CONDITIONS OF SERVICE 2013/14

Submitted by: Chief Executive

Portfolio: Finance and Resources

Purpose of the Report

To update the Committee on the current position regarding the current review of Terms and Conditions of Service.

Recommendations

- (a) That the progress to date be noted.
- (b) That the Chief Executive be given the authority to complete any Collective Agreement in relation to the revised proposals regarding Professional Subscriptions and Car Leases as detailed at Appendix A.

1. Background

1.1 Following recent consultations with the trade unions and employees, entered into with a view to reviewing employees' terms and conditions of service to achieve a saving of £100,000 in 2013/14 budgets, the trade union held ballots on the following proposals:

(i) 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).

(ii) Telephone Allowances

Telephone allowances no longer to be paid.

(iii) 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.

- 1.2 In relation to (i) and (ii), a majority of employees balloted voted in favour of the proposals. A Collective Agreement was subsequently signed regarding these, effective from 10 May 2013, delivering an estimated saving in 2013/14 of £21.3k.

2. **Issues**

- 2.1 The council's intention is that the shortfall of £78.7k can still be found by agreement and discussions have therefore been continuing with the trade unions on revised proposals regarding withdrawal of reimbursement of Professional Fees and reviewing the Car Leasing Scheme.
- 2.2 Agreement was reached on revised proposals for both of these as detailed at Appendix A. The trade unions have indicated that they will conduct ballots, recommending acceptance and in the event that a majority of their members vote in favour, they will be prepared to sign a Collective Agreement agreeing to the proposed changes.

3. **Legal and Statutory Implications**

- 3.1 Contracts of Employment are legally binding agreements. However, they can be lawfully varied 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.

4. **Equality Impact Assessment**

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

5. **Financial and Resource Implications**

- 5.1 Agreement of the revised proposals regarding Reimbursement of Professional Fees will produce an estimated annual saving of around £19.8k from 2014/15. The original proposal would have produced an estimated saving in 2013/14 of £6.3k and an annual saving of £12.6k thereafter.
- 5.2 Agreement of the revised proposals regarding the Car Leasing Scheme would produce an estimated saving in 2013/14 of £27k and an estimated saving of £54k in 2014/15.

6. **Major Risks**

- 6.1 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.

7. **Earlier Cabinet/Committee Resolutions**

Council, 27 February 2013
Staffing Committee, 13 March 2013

8. **List of Appendices**

Appendix A - Details of revised proposals on Professional Fees and Car Lease Scheme.

PROPOSED CHANGES TO TERMS AND CONDITIONS OF SERVICE
APPLICABLE FROM 1 OCTOBER 2013

1. Professional Fees

- 1.1 No further payments be made for reimbursement of professional fees submitted after 31 March 2014.
- 1.2 Where appropriate, membership of a relevant professional body will continue to be an essential requirement for posts but will not be reimbursed.
- 1.3 RLSS Pool Lifeguard Training Assessors will have their annual RLSS membership fees paid by the council on the basis that these are a training cost and there is a business case to do so.

2. Car Leases

- 2.1 That the council's subsidy payment in relation to existing leases be reduced from 1 October 2013 as follows:

Employee Grade	% Subsidy Reduction
Executive Directors	50
JNC 1 & 2	40
NJC 10-14*	30
NJC 8-9	20
NJC 5-7	10

* (Includes NJC 9 with market supplements)

- 2.2 The subsidy reductions agreed to apply to existing leases from 1 October 2013 with the insurance costs continuing to be met by the council.
- 2.3 Employees with existing leases on 1 October 2013 to be eligible for one further lease on expiry of their current lease, capped at 3 years, at the above reduced subsidy level, with the insurance costs continuing to be met by the council.
- 2.4 Employees with existing leases that have been extended on a month by month basis (or who have been provided with an alternative vehicle where a month by month extension has not been possible) pending agreement being reached, to be eligible to one further lease only from 1 October 2013 but for up to 5 years at the above reduced subsidy level, with the insurance costs continuing to be met by the council in lieu of 2.3.
- 2.5 On expiry of the additional 3 year lease, (or 5 year leases referred to in 2.4) employees with existing car leases to be eligible to apply for further leases but with no subsidy from the council in relation to any associated costs.

- 2.6 Lease car mileage rates to continue to be paid in respect of existing car leases as at 1 October 2013, the additional 3 year capped leases and the 5 year leases referred to in 2.4. Thereafter, casual mileage rates to apply to employees with car leases where no subsidy is paid by the council in relation to any associated costs.
- 2.7 Employees to be able to opt to terminate existing leases current on 1 October 2013 at any time during the life of the lease, with early termination penalty payment costs being met by the council except when termination is as a result of them leaving the authority.
- 2.8 No applications from employees to extend existing leases (eg, from 3 to 5 years) to be approved.
- 2.9 The council's existing Car Loan Scheme to remain unchanged other than it will also be available to all employees with car leases who decide to buy their existing lease vehicle or to purchase an alternative vehicle.
- 2.10 Full protection for employees who pay pension contributions on existing leases.