

APPENDIX ONE

BUDGET OPTION: WORKFORCE CONDITIONS OF SERVICE

1.0 OUTLINE OF PROPOSAL

- 1.1 The Council currently employs 4,800 people; with a salary cost is £102 million. Enhancements and allowances subject to national and local conditions of service total approximately £6 million per annum.
- 1.2 The proposal is to review the Council's current terms and conditions of employment to make financial savings. This option equates to 4% of the overall savings target and hence reduces the savings required from front line services.
- 1.3 The Council is seeking to reduce those costs with the following changes:

To stop paying essential car user allowance and move all mileage allowance to current HRMC rate at 45p per mile.	£770,000
To remove the enhancements for weekend working and overtime. The enhancements for night work will be time and a third. Enhancements for public holidays will remain the same.	£2,024,170
Review of Policies including Disturbance Allowance, Phone Rental, and Relocation Allowance.	£67,000
To implement four days unpaid leave for an initial period of three years, after which time it will be reviewed	£1,500,000
TOTAL	£4,361,170

- 1.4 These proposals have been subject to staff, residents and Trade Union consultation since November 2012, and this report provides the feedback of this consultation process.

2.0 RATIONALE FOR PROPOSAL

- 2.1 The Council has a considerable financial challenge to reduce the net budget. The current position is that the Council is facing a budget deficit of approximately £109 million over the next three years. This will necessitate significant changes to the manner in which the Council conducts its business, which will impact on the Council's workforce.
- 2.2 The proposal to change terms and conditions are part of a range of measures being put forward to reduce this budget deficit, and reduces the impact on front line services.

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- 2.3 These proposals have been put forward in order to reduce the requirement for compulsory job redundancies. It is estimated that the savings achieved in relation to changing terms and conditions would equate to approximately 250 jobs.

3.0 ACCESSIBILITY OF PROPOSAL

- 3.1 The option in relation to staff terms and conditions was published alongside a series of other options from the Chief Executive on November 9th 2012. These options were published following an extensive period of consultation during September and October 2012, which focussed on broad principles of policy to gather initial views on how options should be developed.

- 3.2 Residents, staff and stakeholders were provided with a range of information detailing the background, level of savings, potential impact and methods of mitigating any potential negative impact for this and all other options. This information included:

Questionnaire: Split into three sections, the questionnaire provided a one paragraph summary of each option and provided the opportunity for respondents to select one of three choices indicating their opinion on the option.

Summary Paper: Three summary papers (one per 'theme') were produced and were available online, at Council buildings and at consultation events. These papers provided a summary of each option, including the level of savings involved and some background information.

Option Paper: For each of the published options, a detailed option paper was available. This paper provided information regarding the background to the option, the potential impact if the option was implemented, proposed methods to mitigate that impact and also the potential savings associated with the option.

- 3.3 The questionnaire was the primary research tool used in this consultation, and as such it was essential that the document was designed in a way to ensure robust, clear and actionable results. It was also vital to the success of the project to ensure that the questionnaire was produced in a fashion that was accessible, clear and neutral. To ensure that this was the case, Council officers took a number of steps to ensure the questionnaire was externally validated as an effective research and consultation tool.
- 3.4 A draft version of the questionnaire was analysed by an external agency through the Market Research Society. The final draft of the questionnaire was also presented to the members of the Children in Care Council and a group of people with learning disabilities at a Council Day Centre who made further suggestions as to the design and wording of the document.

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3.5 Further work was also done to ensure accessibility including publishing an interactive Easy Read version, and developing three individual videos, which were used at consultation events, on the Council website and also played through the network of 30 LCD screens in One Stop Shops and Libraries. These videos were designed to more fully explain the context of the options and also provide guidance for how to complete the questionnaire document.

4.0 CONSULTATION PROCESS

4.1 An extensive programme of public consultation was completed in relation to all options which were published in November 2012. This programme included over 100 community events at locations such as libraries, supermarkets, cinemas, community centres and children's centres.

4.2 The consultation was promoted extensively online, with emails being sent to over 13,000 residents, and the consultation also featured prominently on the Council's website which receives in excess of 1,000 hits per day.

4.3 Organisations from the Voluntary, Community and Faith sectors were also actively encouraged to take part in this consultation process.

4.4 On 9 November 2012 the Chief Executive opened consultation with the Trade Unions on the proposals to change terms and conditions. Initially the consultation period was 28 days as it was the intention to submit a report to Cabinet on 20 December 2012. Consultation was constructive. As such it was agreed to extend the consultation to allow further proposals to be discussed and considered.

4.5 Since November 2012 over 20 consultation meetings with the Trade Unions, eight meetings specifically to deal with the proposed changes to terms and conditions have taken place.

5.0 CONSULTATION FEEDBACK

5.1 In terms of the public consultation process, the response to the questionnaire demonstrated support for this option. The table below shows the response to the public consultation.

Answer Options	Response Percent	Response Count
I support this under the circumstances	39.8%	2033
I accept this if it is absolutely necessary	34.2%	1744
I find this completely unacceptable	26.0%	1329

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- 5.2 These results show that while 26% of respondents find the option unacceptable, almost 40% would support and almost 35% would accept its implementation.
- 5.3 The public consultation was also open to members of Council staff; this question was answered by 1271 Council employees, which equates to approximately 26% of the Council workforce (based on 4800 employees). When the feedback for this option is analysed based purely on staff response it shows that, while 42.6% would oppose this option 37.8% state they would accept its implementation and 19.6% would support it.
- 5.4 Council employees had a number of channels available to them to provide their feedback in relation to this and other budget options outside of the consultation questionnaire.
- 5.5 The Chief Executive received and personally replied to over 400 emails and letters during the consultation period, many of which were from Council staff focussing on this particular budget option.
- 5.6 Further suggestions and queries were also received and answered through phone calls and emails to the HR support team.
- 5.7 Many of the comments received from staff focused on the issue of unpaid leave. Staff expressed a number of different preferences for the way the unpaid leave is taken, with a number of staff stating that they would prefer the leave to be taken over the Christmas period.
- 5.8 Further suggestions were also made in relation to the proposals around Essential Car User Allowance, with some staff suggesting that it should be removed altogether and some others believing it should be reduced in a targeted fashion. A number of employees, particularly based in Children's Social Care teams, believe that the removal of essential car user allowance would make it difficult for them to do their jobs.
- 5.9 More suggestions were made in relation to terms and conditions which focused on reductions in annual leave, enhancements and sickness entitlements.
- 5.10 A number of alternative options to meet the required savings of £4.3m have been discussed during the consultation meetings with the Trade Unions to seek to mitigate the impact of the proposals particularly on lower paid employees, and to ensure actual reductions in pay were as limited as possible given the overall financial pressures on the Council.
- 5.11 These options included;
 - All voluntary overtime and additional hours to be paid at plain time, (including casual work).

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- Payment of time and a third for all weekend working for one year whilst potential benefits of annualised hours working is explored.
- Retain essential car allowance at lower rate and review criteria to reduce the numbers employees who receive
- An increment freeze for all employees.

5.12 Whilst there have been extensive discussions around the proposals, at this time we do not have any agreement in place.

6.0 POTENTIAL IMPACT IDENTIFIED

- 6.1 Each of the proposals above affects the Council's workforce, including contractual salary. An Equality Impact Assessment has been completed for all proposals, with the exception of Relocation Allowance, as this affects potential future employees.
- 6.2 The Trade Unions have raised concerns about the level of financial impact of staff who predominately work weekends losing enhancements and the inequality and scale of the cumulative impact across the workforce. For a small number of employees there is a loss of contractual pay of up to £6000 per annum.

7.0 PROPOSED MITIGATION

- 7.1 The proposals as outlined above directly impact the current terms and conditions of employment, however they do not directly put staff at risk of redundancy and produce savings the equivalent to approximately 250 jobs, and have been proposed with the aim of reducing the number of redundancies the Council may need to make.
- 7.2 Some of the options put forward by managers in 5.11 above were aimed at mitigating this effect.

8.0 SUMMARY

- 8.1 The rationale for the proposal of this option is outlined within this report, together with an outline of the extensive consultation process which followed its publication. Concerns raised through this process have been highlighted and mitigation has been identified.
- 8.2 In the absence of an agreement or alternative proposal it is proposed that Cabinet recommend to Council to change Terms and Conditions of employment as outlined in the original proposal and to authorise the Chief Executive to take all necessary steps to deliver the change.