

Review of Terms and Conditions

A review of terms and conditions commenced with Unison on 3 July 09 following the Staff Briefings. Tough conversations have been held about the short and long term financial position of the Council and by reviewing terms and conditions; we're hoping to protect the organisation and jobs.

The purpose of the review was to ensure that our terms and conditions are fit for purpose, consistent, fair and value for money.

We have been looking at:

- Lease cars and mileage
- 5% local award
- Professional fees
- Standby allowances
- BUPA

Unison have undertaken to consult on the following proposals with their members.

Proposals

Lease Cars and Mileage

The option put forward by management, supported by Unison (subject to consultation with their members) is:

Option

To close the Car Lease Scheme

- Members of the scheme would be protected under a three year pay protection agreement (for those affected please see enclosed document detailing compensation details). This would include keeping their lease car until renewal date and receiving compensation for the remainder period based on current lease car contribution rates. Where individuals have retained their lease car entitlement as a pensionable benefit, individual discussions will be held on the options open to them to protect their accumulated benefit.

To maintain the current essential car user lump sum to ensure staff that need to travel for business reasons are compensated for wear and tear of their vehicles based on current rates and car size.

- Staff will be eligible to receive the essential car user lump sum based on new agreed criteria. Membership of the scheme would be reviewed on an annual basis to ensure consistency and fairness. For staff, that currently

ESSENTIAL REFERENCE PAPER B

receive the essential car user lump sum that will not be eligible under the new criteria staff would be protected under a three year pay protection agreement.

Proposed new criteria for Essential Users

- Completes over 2000 miles on company business per annum (pro rated for part-time employees with the lump sum allowance being pro rated).
- In exceptional circumstances, staff travelling less than 2000 miles per annum may be offered an essential user allowance where this can be shown to be the only means of meeting unavoidable travel needs.
- Membership of the scheme reviewed annually

NJC mileage rates remain unchanged.

Pool cars scheme to be considered, providing flexibility for staff that are not eligible for the essential car user lump sum but on occasions may need to use a car or van for business reasons.

Savings

The total cost of current terms is	£451,032 per annum £1,804,128 based on 4 years
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The total cost of new terms is	£188,701 per annum £754,804 based on 4 years
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(Includes: benchmark and non-benchmark car lease scheme; essential lump sums; car lease, casual and essential user mileage; pension emoluments. Excludes administration costs)

Saving	£262,331 per annum £1,049,324 based on 4 years
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Figures quoted are projected costs and savings and therefore are an indicative figure. They do not include pay protection costs.

5% Local Award

Option

To reduce the local pay award to 2% based on a phased reduction linked to national agreed pay awards. E.g. If pay award is 1% 2010, the 5% local award would be reduced to 4% 2010 and so on, until 2% is reached. Once the local pay award reaches 2%, the employee's salary will increase with pay awards. Retaining the 2% maintains a degree of retention incentive, which the Council believes important.

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Savings

The total cost of current membership is £305,000 per annum

Cost of new membership is £122,000 per annum

Saving £183,000 per annum

(Assumptions: 249 members in 2008/09, based on current salaries. Excludes new joiners/leavers to the scheme)

Figures quoted are projected costs and savings and therefore are an indicative figure.

Other

Professional fees

Option 1: Review current scheme to ensure consistency. Potential savings £26,000 based on 4 years. Negotiations to continue with Unison.

Standby Allowances

Option1: Review current scheme to ensure consistency. Savings to be identified. Negotiations to continue with Unison.

BUPA

Option 1: To close the scheme. Members of the scheme would be protected under a three year pay protection agreement. Saving £7,311 per annum. £29,244 based on 4 years.