

EAST HERTS COUNCIL

LOCAL JOINT PANEL- 8 FEBRUARY 2010

REPORT BY DIRECTOR OF INTERNAL SERVICES

5. TERMS AND CONDITIONS REVIEW

WARD(S) AFFECTED: NONE

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**Purpose/Summary of Report**

- To inform the panel of the outcome of the meeting with the Joint Secretaries of the East of England Regional Council regarding the review of terms and conditions of employment.
- To inform the panel that the matter will now be referred to the Human Resources Committee to consider the options available to the Council in light of the absence of a collective agreement.

<b><u>RECOMMENDATION FOR :</u></b>	
<b>(A)</b>	To note the outcome of the meeting with the Joint Secretaries of the East of England Regional Council regarding the review of terms and conditions of employment.
<b>(B)</b>	To note that the matter will now be referred to the Human Resources Committee to consider the options available to the Council in light of the absence of a collective agreement.

1.0 Background

1.1 A review of terms and conditions commenced in July 2009 through consultation with Unison and staff. The purpose of the review was to ensure that Terms and Conditions reflect the market the Council now competes in, were consistent, fair and offered value for money. Many of the Terms and Conditions had not been reviewed for over 20 years.

1.2 The Council like every Council and many businesses is having to respond to economic factors beyond our control. The medium

term financial plan provides a clear indication, expressed in financial terms of the significant challenges faced by the Council over the next four years if it is to deliver its priorities in the medium term. The medium term financial plan to be considered by the Executive on 9 February 2010, whilst now fully balanced to 2013/14, has future saving options which include staffing reductions to be revisited in future rounds. No assumptions have been built in for savings from terms and conditions; however, such are essential to provide flexibility in responding to the harsh financial climate faced by the Council.

1.3 The Council has worked on the principle that we are consistent and fair and that all staff, from Chief Executive downwards is affected by the proposals. The Council's priority is to minimise redundancies.

1.4 The Council recognises Unison for consultation and collective bargaining on Terms and Conditions of employment, including pay. Unison commenced consultation with its members on 16 October 2009. This followed three months of full consultation on the terms and conditions proposals between management and Unison. The Council hoped to secure a collective agreement on the proposals made on terms and conditions. Please see Essential Reference Paper 'B' for full details of the proposals.

1.5 Unison undertook to respond following a one month consultation period with their members, ending on 16 November 2009.

## 2.0 Report

2.1 The Council were advised on 17 November 2009 by Unison that a collective agreement on terms and conditions had not been reached.

2.2 The Corporate Management Team indicated that they accepted the proposals as they affect them, and wish to proceed with the proposals made through individual consultation.

2.3 At the Local Joint Panel on 1 December 2009 no recommendation was carried and in accordance with the constitution, the matter was referred to the Local Joint Secretaries of the East of England Regional Council to advise/mediate.

2.4 Representatives from management and Unison met with the Local Joint Secretaries of the East of England Regional Council on 15<sup>th</sup>

December 2009 and following extensive discussions the meeting was adjourned until 1<sup>st</sup> February 2010 in order for management to undertake 4 actions:

1. An equality impact assessment on the proposals and to address any issues arising.
2. The meeting planned for 16 December go ahead with Unison seeking to gain greater understanding of the Council's financial position and how this impacts on staffing issues.
3. That the management side revisits earlier proposals from Unison about how to make alternative savings.
4. Both sides commit to further dialogue with a view to reaching agreement.

Unison when consulting members committed to providing a positive recommendation for acceptance if all the above actions have been met and agreement can be reached.

2.5 Management completed all of the actions from the meeting on 15<sup>th</sup> December 2009 but following extensive discussions that took place at the meeting on 1 February 2010 with the Local Joint Secretaries of the East of England Regional Council, and despite best efforts on both parts, the Council and the Trade Union were unable to reach a collective agreement on the proposed changes.

2.6 As the collective bargaining process has now been exhausted, the matter will be referred to the Human Resources Committee to consider the options available to the Council in light of the absence of a collective agreement.

### 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within Essential Reference Paper 'A'

### Background Papers

None

Contact Officer: Alan Madin- Director of Internal Services

Report Author: Alan Madin- Director of Internal Services

## ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/Objectives ( <i>delete as appropriate</i> ):	<b>Fit for purpose, services fit for you</b> <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	Full consultation on review of terms and conditions with Unison and staff.
Legal:	Legal advice gained on the changes of terms and conditions of employment.
Financial:	As detailed in the report.
Human Resource:	As detailed in the report.
Risk Management:	Legal advice and risk gained on the changes of terms and conditions of employment.

## Changes to Terms and Conditions

### Lease Cars and Mileage

1. To close the Car Lease Scheme
  - Members of the scheme would be protected under a three year pay protection agreement. 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 that staff who 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 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.

### 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 on the basis of annual hours worked).
- 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.

### 5% Local Award

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% in April 2010, the

5% local award would be reduced to 4% for April 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.

#### Professional fees

Review current scheme to ensure consistency.

#### Standby Allowances

Review current scheme to ensure consistency.

#### BUPA

To close the scheme. Members of the scheme would be protected under a three year pay protection agreement.