

Report To: EXECUTIVE CABINET

Date: 24 March 2016

Executive Member/Reporting Officer: Councillor John Taylor, Deputy Executive Leader
Sandra Stewart – Executive Director for Governance & Resources
Tracy Brennand, Assistant Executive Director (People and Workforce Development)

Subject: PROPOSED CHANGES TO TERMS AND CONDITIONS OF SERVICE

Report Summary: This report outlines the response to the consultation process undertaken with the workforce following the approval of Executive Board in November 2015 to consult on a number of proposals to change Terms and Conditions of Service. This report outlines the recommendations for implementation of changes to the Terms and Conditions of Service to both Council and School Based support staff and the process by which to achieve these changes and to enable a reduction in workforce costs from 2016/17 onwards.

Recommendations: The Executive Cabinet is recommended to:

1. Note and consider the comments and feedback provided through the employee consultation process by our workforce, managers and headteachers.
2. Consider the feedback and requests made by Trade Unions in relation to any implementation of consultation proposals.
3. Note that the implementation of these proposals must be applied to both Council and school support staff where the Council is the employer together with the Governing Body in order to meet Equality legislation and the employment legal framework that applies to community schools.
4. Agree that Voluntary Aided/Academy schools will be advised of the changes for consideration.
5. Maintain the current voluntary severance scheme in place and continue with the scheme being based on exit payments capped to 2013 pay rates for a further 12 months subject to any further budget cuts which would mean that we would need to review.
6. Agree the implementation of any agreed approach from 1 September 2016.
7. Implement the Living Wage Foundation rate of £8.25 for lowest paid workers across Council workforce by way of a supplement to the rate payable for the role from 1 September 2016. To agree that a further review of full accreditation to the Living Wage Foundation be undertaken during 2017/18.
8. Continue to require those working on a term time only basis in schools in school to attend work for 194 days per academic year, which reflects the feedback provided by Headteachers regarding the actual days needed to ensure schools operate efficiently and staff are able to access essential and

necessary professional development throughout the academic year.

9. Review the current maternity leave schemes currently in place for groups of staff to ensure fair and equal access to a single local scheme.
10. Agree a review of the Councils flexible working scheme, including annual purchase of leave scheme and ensure that this is widely promoted and accessible for all eligible employees.
11. Review historic working arrangements and support services to find suitable alternative working arrangements to ensure effective service delivery and fair and equal access for all, including the creation of additional apprenticeship opportunities.
12. Agree that the payment of contractual/conditioned overtime for waste collection drivers and statutory registrars continue to be on the basis of time and a half with a view that reviews of working arrangements should remove the need for contractual overtime within the workforce.
13. Agree a review of the current agency worker assignments and associated costs to ensure that we continue to access the most cost effective and appropriate flexible workforce
14. Agree the implementation timeline and plans as outlined within the report and a communication strategy to enable any further feedback before implementation.

Links to Community Strategy: This reports links to all areas of the Community Strategy

Policy Implications: This report outlines the need to ensure all current policies in relation employment costs are managed effectively.

**Financial Implications:
(Authorised by the Section 151 Officer)** The proposed recommendations within the report will deliver an annual recurrent revenue saving to the Council of £ 0.670 million (section 7.5 of the report). However as the proposed implementation date is 1 September 2016, the saving during 2016/2017 will be reduced to £ 0.391 million will a full year realised from 1 April 2017. It should be noted that the value of saving which will be realised is based on the existing levels of staffing within the Council at the time of the Executive Cabinet meeting.

These implications are stated for Council employees only and do not include Tameside non academy schools.

**Legal Implications:
(Authorised by the Borough Solicitor)** Within the current funding arrangements for Tameside none of the Council's services are affordable. Consequently, whilst staff are the Council's most productive and valuable asset it is incumbent upon elected members when delivering a balanced budget to look at costs and consider how these can be reduced whilst meeting statutory duties efficiently and effectively. All the officers involved have a conflict of interest as they will also be affected by these reductions. Nonetheless, in looking at the terms and conditions an attempt has been made to be as fair as possible to remove historic payments that were highlighted as

equality issues when job evaluation undertaken and were not resolved at the time and create terms and conditions more reflective of modern workforce and working practices. It has been particularly important that we comply with our equality duties and employment obligations.

It is not possible for the Council to use reserves to address the significant financial challenges that we face as has been suggested – we need to reduce the ongoing costs of staff in the face of rising obligations including living wage, pensions and NI. Any achieved reduction in the cost of the workforce will be variable due to the changing level of staff numbers, staff attendance, overtime levels etc.


There will need to be a review of the equalities position before and after implementation.

Risk Management:

These are set out in the report.

Access to Information:

The background papers relating to this report can be inspected by contacting the report writer, Tracy Brennand, Assistant Executive Director (People and Workforce Development) by:

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Background information can be found in the appendices to the report as follows:

- Appendix 1 Consultation Summary Document
- Appendix 2 Employee Information Booklet
- Appendix 3 Consultation Survey
- Appendix 4 Full Consultation Responses
- Appendix 5 Letters Received
- Appendix 6 Outline Response to Comments/Key Themes
- Appendix 7 Impact Of Change to Payment at 36ths
- Appendix 8 Email from UNISON
- Appendix 9 Further letter from UNISON
- Appendix 10 PWC Advice
- Appendix 11 Term Time Only
- Appendix 12 Impact Analysis of Proposals
- Appendix 13 Equality Impact Assessment
- Appendix 14 Equality Impact Assessment (Annual Leave)
- Appendix 15 Outline letter to staff

1. BACKGROUND

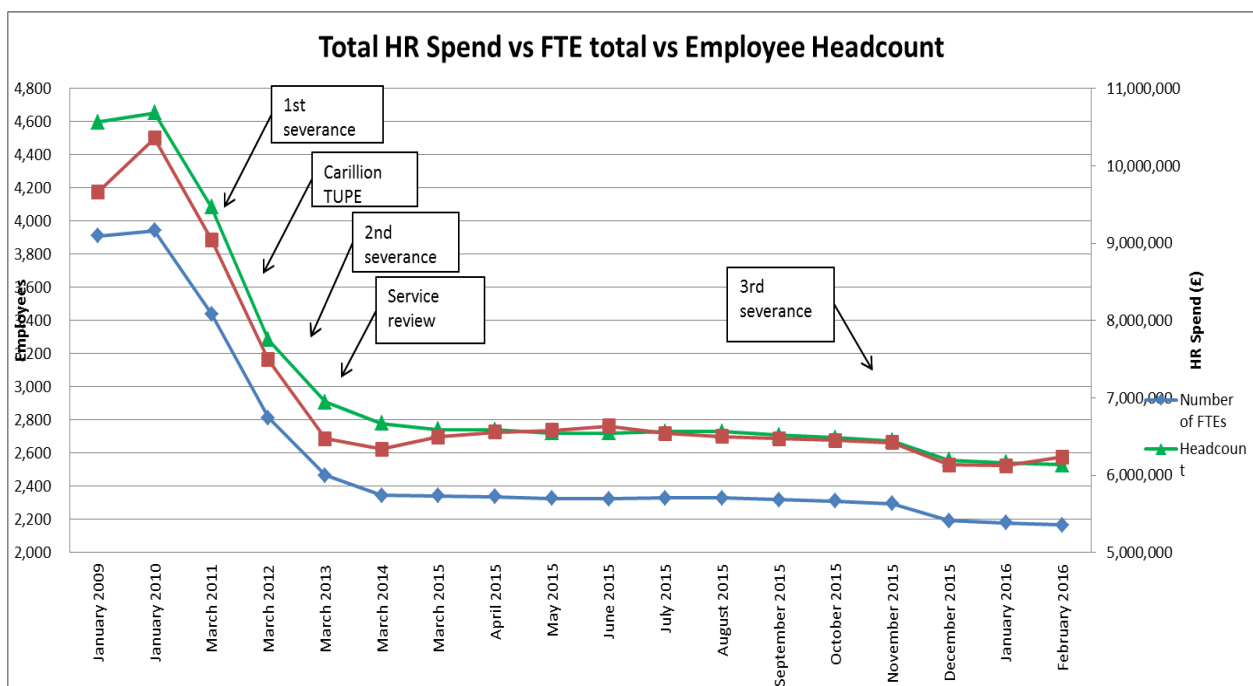
- 1.1 Tameside Council was one of the hardest hit Councils through the Government 2010 comprehensive spending review and by 2017 will have lost 50% of its central government funding and associated deprivation/poverty grants. In the last 5 years, we have had to rapidly reduce the size of the workforce by 40%, losing over 2000 employees.
- 1.2 Our voluntary severance programme has enabled the Council to achieve the necessary workforce reductions quickly and in a managed way to minimise the impact on services provided to residents.
- 1.3 The immediate exit of staff through the voluntary severance scheme has enabled the Council to rapidly achieve the required reduction in our workforce at £1.5m less cost than statutory redundancy and £1.2m less on early retirement costs than if compulsory redundancies had been made. By the use of legal settlement agreements, the Council has also protected taxpayers from future employment claims for unfair dismissal, equal pay etc.
- 1.4 Elected Members have been very clear throughout the period of austerity that our workforce, Trade Unions and Managers must work together in partnership to ensure that we rigorously apply our policies and procedures; to ensure we further reduce the amount we spend on our workforce, without having to affect basic pay, make contractual changes or face compulsory redundancy.
- 1.5 To that aim, Elected Members in October 2014 agreed a commitment to achieve a reduction in manageable employment costs relating to agency, additional hours and overtime and casuals of 20% by March 2015.
- 1.6 Elected Members also agreed to a review of the Managing Attendance Policy to ensure a continued focus on supporting good health and wellbeing in the workplace along with achieving a reduction in the levels of absence to no more than 6 days lost per full time employee from 2015/16.
- 1.7 A revised managing attendance scheme was implemented in September 2014. Indications so far show that the new approach has improved employee attendance. In the first 9 months of the year 2015/16 the days lost due to sickness has reduced to 6.01 days compared with last year for the same period was 7.37 working days. We remain the best performing authority in relation to attendance in Greater Manchester.

2. OUR WORKFORCE COSTS

- 2.1 Our approach and measures taken so far have enabled the Council to deliver a balanced budget to date by reducing workforce costs by over £30 million in the last three years, set against a cost of £16 million for voluntary redundancy with an on-going year on year revenue saving of £36 million per year.
- 2.2 In November 2015, the Council, in an attempt to reduce the size of our workforce by a further 200 FTE provided the opportunity for employees to submit an application for voluntary severance outlining how their role could be deleted, or done differently in order for them to be released within the voluntary severance scheme and their role not replaced. The Council received 324 applications (12% of staff) and was able to support 143 employees to leave our employment, the majority having left on 30 November 2015. Around 40% of applicants could not be released as they held front line roles e.g. refuse collection, social workers, care workers.
- 2.3 The size of the workforce within the Council in January 2009 was 4651 FTE. This has reduced significantly by around 50% to 2531 FTE at February 2016. In addition, a further

189 employees (77 fte) transferred from the employment of the Council to our partner organisation Carillion on 1 March 2016 to provide catering services. These employees transferred with the protection of their existing terms and conditions of service under TUPE regulations and were therefore excluded from the proposed changes to terms and conditions within this report.

2.4 The graph below illustrates the impact this centrally managed approach has made on employee numbers and our continued steady decrease in our workforce. Nevertheless, despite the achievement of workforce reductions, the cost of the workforce has not reduced at the same rate and continues to be challenging. We face further significant budget reductions of £38 million over the next two years, which increased further following the Government's Comprehensive Spending Review on 25 November 2015. It is clear therefore that the size of our workforce and employment costs will need to continually reduce.



2.5 Unlike a number of other Councils within Greater Manchester, regionally and nationally, Tameside has not favoured an approach to reviewing the terms and conditions of its workforce as a predominant approach to achieving the necessary financial reductions. The Council has been very clear that managers are expected to challenge the variable and controllable employee costs relating to additional hours, overtime, mileage and attendance, to ensure these are minimised as much as possible. However, whilst some reductions in costs have been achieved, this is not sufficient and requires us to review our approach to ensure that we are able to have guaranteed and sustainable employment cost reductions.

2.6 As part of the planned budget reductions, the Council continues to have a relentless programme of service redesign, which supports our aim to continually reduce the size of our workforce. However, this alone is not sufficient to ensure that we are able to deliver a balanced budget in 2015/16 and beyond.

2.7 The Government announced in September 2015 the intention to introduce a National Living Wage from 1 April 2016. This change provides for a minimum salary of £7.20 per hour for all employees aged 25 years and over, rising to £9.00 per hours by 2020. At the present time the minimum pay rates in the Council exceed this new minimum wage and will therefore be unaffected by this during 2016/17. However, it is envisaged that this pay increase will impact on our pay scales from 2017/18 onwards, further increasing our workforce costs.

3. REDUCING OUR EMPLOYMENT COSTS FURTHER

- 3.1 Following the Board Business meetings in July 2015, it was agreed that we must continue to find new ways of delivering services at a lower cost and that we must stay focused on delivering those things which are most critical to us organisationally.
- 3.2 The current terms and conditions of service for those staff employed by the Council, excluding those paid in accordance with the School Teachers Pay and Conditions Document (STPCD) have been considered as part of developing a range of options for consideration and agreement by Elected Members for consultation with the workforce and Trade Unions. Teacher terms and conditions are excluded as they are determined by statute and not the Council. Consequently, as we do not determine them we are also not at risk of an equal pay claims by staff who do not share those terms and conditions.
- 3.3 Whilst other authorities have already implemented changes to their terms and conditions of employment since the start of austerity in 2010, it should be noted that many of those changes made had already been addressed in Tameside during the implementation of the Pay and Grading process in 2009. This included the removal of a number of allowances and additional payments, and a reduction in the amount paid for working at weekend and nights.
- 3.4 Various approaches have been taken across other Councils in relation to the reduction in employment costs in addition to staffing reductions through either voluntary or enforced redundancy processes. Some Councils have included school based support staff in the changes and others have excluded this group of staff. To ensure that the Council has a robust approach and is able to mitigate any risk associated with the introduction of changes to terms and conditions of service, all options outlined within this report have been developed on the basis that the changes will apply to all school based support staff where the Council is the employer along with the Governing Body.
- 3.5 It was therefore agreed by Executive Board in November 2015 that a programme of consultation on a range of possible options for changes to Terms and Conditions of Service be commenced on 15 December 2015 until 31 January 2016.
- 3.6 In December 2015 the Council commenced consultation with the workforce (including staff employed within Community Schools, excluding teaching staff), on 15 proposals for possible changes to Terms and Conditions of Service. Those employees employed within voluntary aided schools were also provided with the opportunity to engage in the consultation process as the Council recommended that any proposed changes would be implemented in voluntary aided schools also. A summary of the proposals are outlined in the table below:

Option Number	Option Category	Option Detail
1	Living Wage	Pay the Living Wage Foundation rate of £8.25 for employees on Grade A and B
2	Sickness	No pay for the first 3 days of any sickness absence
3	Sickness	Reducing sick pay at 75% of your contractual sick pay
4	Sickness	Reducing Occupational Sick Pay to a maximum 3 months full pay and 3 months half pay from a maximum 6 months full pay and 6 months half pay
5	Overtime	Paying plain time rate paid for all hours overtime (no enhancements) at increased rate of 1/36 th
6	Enhanced Rates	Removal of weekend working 15% enhancement
7	Enhanced Rates	Removal of night time 1/3 rd enhancement
8	Bank Holidays	Bank holidays to be paid at double time with no additional time off in lieu
9	Christmas	No Christmas enhancement for time worked over the

	Closure Scheme/Leave	Christmas closure period and removal of the extra paid holiday provided by the Council
10		Having 3 days mandatory unpaid leave of 3 days
11	Car Allowance	Reduction of car mileage rates for casual users to HMRC rates (max 45p mile) and removal of the car loan facility
12	Car Allowance	Removal of essential car user lump sum allowance and removal of the car loan facility
13	Pay Decrease	Reducing current pay by 1%
14	Pay Decrease	Reducing current pay by 2%
15	Pay Freeze	Freeze pay by not applying any National agreed pay increase for 1.4.2017 to 31.03.2019

3.7 An initial Equality Impact Assessment for a number of possible options for consultation was undertaken and it was identified that one option relating to a freeze of increments during 2016/17 and 2017/18 would pose a risk of inequality. This in the main is due to the majority of our employees having worked for the Council for a number of years and being at the top of the grade. It was therefore apparent that those that would be affected would be those who had recently joined our employment, have secured employment following a successful apprenticeship or work in high priority areas where there is a level of turnover, and where the Council needs to attract applicants to the role. It is therefore considered that this option increases the risk of an equality claim and has been excluded from the proposals for consultation with our workforce. It has taken a number of years and significant cost to resolve equality issues created by bringing together different sets of Terms and conditions relating in the main to manual and administrative and professional staff. Therefore, this short-term approach could result in considerable cost further down the line which is not recommended.

4. WORKFORCE AND TRADE UNION CONSULTATION

4.1 The Council launched full consultation with the workforce, managers and headteachers on the 15 possible changes to terms and conditions of service on 15 December 2016. All relevant employees (4694 headcount) were provided with the background and rationale for the proposals. An employee information booklet which outlined in detail the individual proposals, including a number of examples to enable colleagues to fully understand the impact of the various options was also provided. Where possible this information was provided by email, however, for some groups, including school based support staff, individual paper copies were provided. A copy of the summary document and employee information booklet is at **Appendix 1 and 2**.

4.2 A dedicated electronic survey was developed and made available for all staff to complete during the consultation period 15 December 2015 until 31 January 2016. In addition, paper copies have been made available to those groups of staff who have limited access to ICT facilities. A copy of the employee survey is at **Appendix 3**. Additionally, a dedicated email inbox was set up to enable colleagues to raise any queries/questions in relation to the consultation process.

4.3 All senior managers in the Council were briefed at the Corporate Development Team (CDT) session on 14 December 2015. In addition, senior managers were tasked with ensuring all teams within their service area had the opportunity to attend a team briefing to ensure that all colleagues to have the opportunity to discuss the consultation process with colleagues and understand the possible impact of the various options in relation to their specific service and team.

4.4 A series of five dedicated briefing sessions for Headteachers were organised between 10 and 16 December 2015. These sessions outlined the background of the Council's financial challenge and the significant journey made so far to reduce the size and cost of our

workforce. Financial modelling of the impact of further austerity in relation to school budgets was also shared as this highlights estimations that by 2017/18 around 50% of Tameside schools will have a deficit budget. All schools were represented at these sessions. To ensure that school leaders were also able to contribute to the process, headteachers were encouraged to provide their own feedback on the consultation proposals by emailing the dedicated inbox: listening.tameside.gov.uk.

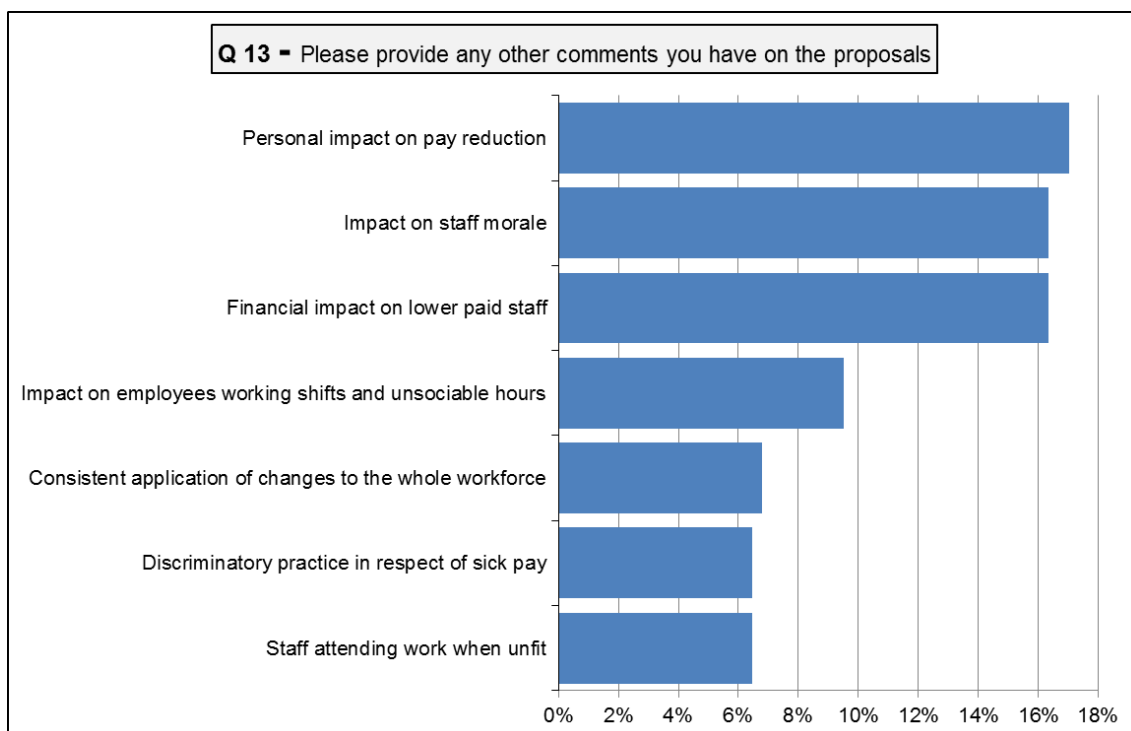
- 4.5 The consultation proposals would apply directly to all support staff employed within community schools. However, it was agreed by Executive Board in November 2015 that the Council would advise VAs of any proposed changes to Terms and Conditions of Service to Voluntary Aided schools. In view of this, headteachers from the Voluntary Aided sector were also invited to attend the headteacher briefings. In addition a dedicated voluntary aided headteacher and chair of governor meeting was held on 13 January 2016.
- 4.6 A dedicated meeting was held on 7 January 2016 with diocesan representatives from the various diocese supporting Tameside church schools.
- 4.7 The background and rationale for the consultation proposals was also outlined in full at the beginning of term Headteacher and Chair of Governors meeting on 11 January 2016.
- 4.8 The Council for many years has had in place the Employment Consultation Group (ECG) which includes, all recognised trade unions, Cllr Susan Quinn as the lead Assistant Executive Member, Director of Governance & Resources and the Assistant Executive Director for People & Workforce Development. The proposals for changes to terms and conditions have been discussed with this group on a number of occasions, and there is a clear understanding regarding the reason and purpose of the changes proposed.
- 4.9 A dedicated Employment Consultation Group discussion was held in relation to the consultation process on changes to Terms and Conditions of Service on 15 December 2015. At this meeting, the rationale for the consultation process and detail of the proposals was further shared with trade union colleagues. During the consultation process, further meetings have been held with trade union colleagues to ensure communication continues and any questions/queries are addressed.
- 4.10 The trade unions have understandably indicated that they will not be in a position to agree any such changes to terms and conditions of service on behalf of employees and that any changes would need to be agreed on an individual basis. However, the trade unions have given their commitment to work positively with the Council to ensure that our workforce are clear on the reasons and rationale for the changes, and to ensure that they are provided with the help and support needed to fully engage in the process, and share their views and feedback.
- 4.11 Unfortunately both GMB and UNISON felt that they needed to advise their members not to participate in the consultation survey as they believed that by engaging in this process, this would give the Council the message and mandate of acceptance to the approach being taken and to continue with the review of terms and conditions.
- 4.12 Both GMB and UNISON have been clear that they will not be in a position to agree to any changes to Terms and Conditions of Service and have held a consultative ballot of their members to establish the view and appetite of the membership for industrial action. The consultative ballots closed on 3 February 2016 and initial feedback provided by full time officers indicates, whilst the response to the ballot was quite low, of those who responded, there is some appetite amongst their members to engage in some form of industrial action in support of protecting terms and conditions of employment.
- 4.13 Regular updates and reminders for our employees to provide their views and feedback have been provided through the Chief Executives brief and monthly Wire.

5.4 In addition to the consultation survey responses, a small number of individual responses have been received from headteachers and chair of governors of some primary schools. It appears that these schools have discussed and agreed the content of their consultation response letter as all letters received contain identical information. This feedback raises concerns regarding the access of key policies and processes for school support staff e.g. voluntary severance, flexi time, holidays in term time etc. Copies of the letters received are at **Appendix 5**.

5.5 UNISON have formally written in response to the consultation proposals stating that they are unable to engage in any consultation process that would see the terms and conditions of their members adversely affected. However, they have made the request that the Council, if introducing any changes consider the following:

- That contract variations are time limited i.e. to run until no later than March 2018 on this variation
- That employee and employer LGPS contributions are maintained at pre-variation calculations (with any subsequent pay rise or increment rise values not used to offset such protection)
- That redundancy or severance payments are calculated at pre-variation contract values for all applicable factors (plus any subsequent pay rise or increment rise values)
- That in the event of a transfer of employment (TUPE or similar) the variation ceases and this is included in all due diligence processes.

5.6 Employees were asked to provide any further comments about the 15 consultation proposals. Of the 1245 respondents, 302 employees provided additional detailed feedback and comments to this question. This additional feedback has been categorised into a number of key themes which are outlined in the table below:



5.7 Whilst the main areas of concern and feedback related to the key themes in the table above, additional issues were also raised in relation to:

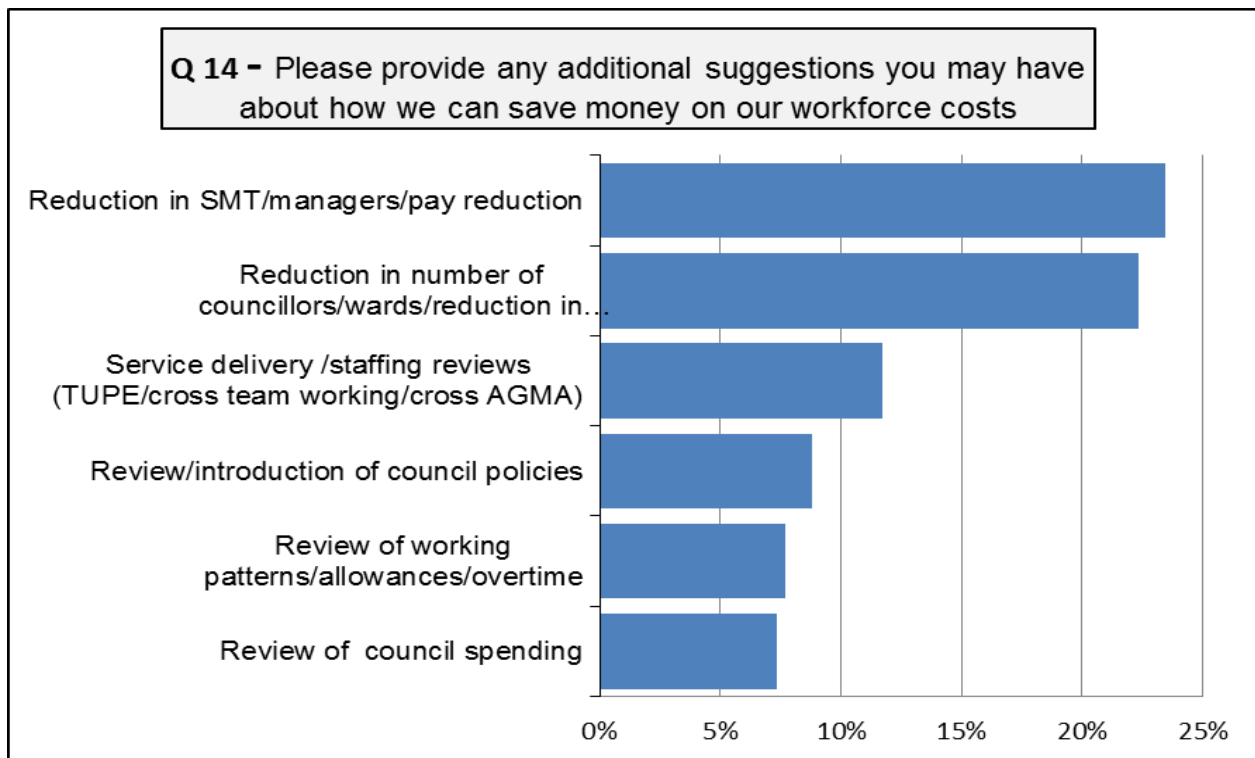
- Recruitment and retention of staff
- Impact on service delivery
- Review of Council spending
- Alternative proposals to changes e.g. impose a sliding scale of reductions

- Impact on employees working within the pension fund
- Pay cuts for MPs and Councillors
- Increased workloads due to staff reductions already made

5.8 The feedback provided to this question clearly indicates that employees feel very strongly that the consultation proposals are targeted to impact most greatly on the lower paid employees, along with those employees that work unsociable hours at weekend, evening and on bank holidays.

5.9 In addition, concern was raised regarding changes to the sick pay scheme, particularly where staff would lose pay, particularly from the first day of absence and the impact of staff attending for work when they are unfit to do so.

5.10 Employees were also asked to provide any additional suggestions as to how the Council could continue to reduce the cost of our workforce. 281 employees provided their detailed feedback and comments to this questions. All feedback has been categorised into a number of key themes which are outlined in the table below:



5.11 Whilst the main areas of concern and feedback related to the key themes in the table above, additional issues were also raised in relation to:

- Promotion of flexible working/increased unpaid leave
- Reduction in agency costs
- Review the annual leave entitlement for the whole workforce
- Reduction in the standard working week
- Reduce Council spend with external partners/suppliers/contractors
- Review declined severance applications
- External investment/income generation
- Improve technology to make staff more efficient
- Process improvement

5.12 Respondents identified a number of key areas of concern that they have, particularly in relation to the number and pay levels of senior managers and the expectation that these

officers should take a higher percentage of the burden of reductions than the remaining workforce. In addition a number of comments and suggestions have been made in relation to the number of Elected Members and the level of allowances paid. An outline of the responses to be provided to these additional comments and suggestions is attached at **Appendix 6**.

- 5.13 A small number of service specific comments and suggestions about how we could make further budget reductions have been made. These will be provided to the relevant Executive Director to ensure that feedback and suggestions are further looked into to establish if these could be explored to further reduce our workforce costs.
- 5.14 A number of additional suggestions made, relating to flexible working, annual leave, agency use, maternity benefits and the emergency call out system have been explored further and will form part of either the proposals to change terms and conditions, or be developed further by Human Resources for review and implementation during 2016 when looking at historic work practices.
- 5.15 A large number of comments and feedback was received from colleagues who work in schools who question why the changes to terms and conditions affect them as they are employed by the individual school. In addition, a number of comments have been raised by school based staff relating to the working arrangements and flexibilities that are afforded to Council employees and not school based employees. The Council throughout the consultation process has been clear that all staff working within Community Schools must be included within the proposed changes to terms and conditions as they are employees of the Council. The Council would be at significant risk of equal pay litigation should it adopt any alternative approach with school based employees.
- 5.16 It is understood and appreciated that the majority of school based employees are required to work on a term time only basis and may not have full access to the flexible working arrangements in place within the Council. However, it is also clear that not all employees within the Council have full access to the flexible working arrangements either. For example, Waste Collection operatives, Library and Customer Services, Social Care colleagues also work within defined working arrangements and do not automatically have access to flex time, or other flexible working opportunities. The Council whilst supporting flexible working arrangements and the health and wellbeing of our workforce must also ensure that key priority services continue to be delivered within the operating hours required. In these circumstances, full flexibility and choice as to when annual leave can be taken is not always available. The Council therefore does not believe that school based employees are treated any differently than those working within the Council.

6. OPTIONS THAT ARE NOT FAVOURED OR RECOMMENDED

- 6.1 A number of initial consultation proposals have been considered further, particularly in relation to the impact on individual and groups of employees and also on operational service delivery. Consideration has also been taken of the detailed feedback and comments provided by Trade Unions, employees and managers/headteachers through the consultation process. The reason for not recommending some of the initial proposals are outlined below:

Sickness - first 3 days absence unpaid

- 6.2 Whilst this option would have the potential to reduce the overall cost of staff absence significantly and reduce the number of odd day absences that arise within the Council and schools, there would potentially be issues regarding the impact on employees who are protected under the Equality Act. As the impact of a day's absence would result in the loss of a day's pay, it is considered that many individuals would choose to attend work even if unfit to do so to ensure that their take home pay is not affected. In addition, there is a view that some absent employees may, despite being fit for work, take more than three days,

increasing the levels of sickness absence further. There is anecdotal evidence from other authorities to support this.

Sickness - 75% of sick pay scheme

- 6.3 Whilst there was limited feedback from employees in relation to this option, there would potentially be issues regarding the impact on employees who are protected under the Equality Act. As the impact of a days absence would result in the loss of a days pay, it is considered that many individuals would choose to attend work even if unfit to do so to ensure that their take home pay is not affected. This again may result in employees spreading germs and infections with other colleagues impacting on their personal health and wellbeing and further increasing sickness absence.

Weekend working enhancement

- 6.4 The majority of staff that work at weekends are paid on the lower pay scales within the Council – Grade E and below, it is felt that this option, along with others combined would have a detrimental impact on the lower paid in the organisation. In addition, service managers have indicated that the Council would experience issues in our ability to attract and retain staff working unsociable hours and ensuring that our high priority services to the most vulnerable residents are maintained and delivered.

Night working enhancement

- 6.5 The majority of staff that work at nights are paid on the lower pay scales within the Council – Grade E and below, it is felt that this option, along with others combined would have a detrimental impact on the lower paid in the organisation. In addition, it is felt that issues would be experienced in our ability to attract and retain staff working unsociable hours and ensuring that our key priority services to the most vulnerable residents are maintained and delivered.

3 days mandatory unpaid leave

- 6.6 Whilst this option would enable the Council to achieve a high level of employment cost reduction, it is clear from workforce feedback that any reduction in the take home pay per month is not acceptable to them, despite this being supported with additional days to be taken during the year. However, where individuals wish to purchase additional annual leave, this will be further promoted and supported where possible.

Removal of essential car user

- 6.7 Significant work has already been undertaken to reduce the number of employees who receive this payment with a previous cost reduction of around £300k. Employee mileage is reviewed annually to determine eligibility to receive the essential car user lump sum. There are currently 46 employees in receipt of this allowance, compared to 363 employees receiving this allowance at November 2013. Removal of this would not achieve a significant cost reduction but would impact on our ability to recruit and retain key staff who can access this in similar roles across AGMA and beyond.

1%/2% pay reduction and Pay Freeze

- 6.8 These options would result in a direct pay reduction which the workforce have clearly indicated is unacceptable through the consultation process. Any percentage pay reduction or pay freeze also poses issues in relation to the possibility of increased costs after the 2 year pay reduction period. The Council would either need to increase pay levels back to the national pay spine at that time, or take the decision to move away from the national pay spine altogether. Consideration would also need to be taken of the impact on lower paid employees whose pay would need to be maintained to ensure the National Living Wage and our commitment to the Living Wage foundation rate of pay are maintained.

7. IMPLEMENTATION PROPOSAL

- 7.1 It is clear from the consultation survey feedback, email responses and letters received from UNISON and schools, that any reduction in the terms and conditions of our workforce would be unpalatable. Consultation proposals relating to a direct reduction in take home pay e.g. percentage pay cuts, mandatory unpaid leave and changes to the sick pay scheme are the least favourable.
- 7.2 It is known that the majority of the affected workforce do not work unsociable hours and would therefore naturally have indicated that any changes to payment for working at weekend, nights and on bank holidays would be more acceptable than other proposals.
- 7.3 The Council continues to be committed to achieving a necessary reduction of £1 million in employment costs, whilst addressing low pay amongst our workforce. However, taking account of the feedback provided by our workforce and trade unions it is clear that any direct impact on the guaranteed take home pay of our workforce would not be palatable.
- 7.4 Taking the feedback of our workforce into account, the Council has considered a number of various options considering the impact on our staff and operational service delivery. These changes provide the least worst direct impact on our workforce as the changes would be achieved through the implementation of a reduced sick pay scheme but maintaining full pay on the first day of absence. In addition this introduces a fairer annual leave scheme by reducing the number of grade bands from 4 to 2, increasing the entitlement for the lowest paid and reducing the leave entitlement for the highest paid in the organisation. Whilst there is a small reduction in cost associated with annual leave, it should be noted that there would be an expectation of increased productivity by the highest paid members of our workforce.
- 7.5 To achieve the greatest reduction in employment costs, whilst minimising the adverse impact on our workforce it is proposed to implement the changes outlined in the table below with the associated estimated cost reduction of £670k net. The proposed changes to terms and conditions are outlined in the table below:

Category	Proposed Change	Saving/Cost (based on 2014/15 data)
Living Wage	Pay the Living Wage Foundation rate of £8.25 for employees on Grade A and B	£35
Sickness	Reducing Occupational Sick Pay to a maximum of 3 months full pay and 3 months half pay from a maximum of 6 months full pay and 6 months half pay	-£150k
Overtime	Paying plain time rate for all hours overtime (no enhancements) at the increased rate of 1/36 th except in the case of conditioned/contractual overtime for refuse drivers and statutory registrars	-£200k with £13.5k cost for increase to 1/36 th rate
Bank Holidays	Bank holidays to be paid at double time with no additional time off in lieu	-£50k
Christmas Closure Scheme/Leave	No Christmas enhancement for time worked over the Christmas closure period and removal of the extra paid holiday provided by the Council	£50k for enhancement plus -£192k for removal of day
Car Allowance	Reduction of car mileage rates for casual users to HMRC rates (max 45p mile) and removal of the car loan facility	-£50k
Annual Leave	Introduction of a fairer annual leave scheme – going from 4 pay bands to 2 pay bands and retaining the 3 service bands	-£31 savings with £5k cost for cover of essential roles - -£26k
Net Total		£670k

- 7.6 The proposals combine a wide range of changes to include the addition of plain time overtime rates for all hours worked, except for those hours contracted to work at a weekend and at night. The payment of plain time for overtime worked has been suggested by various members of our workforce over the last 12 months through the Chief Executives workforce engagement sessions. By removing the enhancements to overtime working, this will free up opportunities for a wider range of employees to access the opportunity for working additional hours and reduce our reliance on agency workers who are more costly and do not ensure that we sustain the quality of work currently provided by our directly employed workforce. The present pay system does not allow anyone paid on spinal point 32 or above the opportunity to work additional hours with enhanced pay unless there are exceptional circumstances. By allowing additional hours payments at plain time, this would enable key services, for example Adult and Children’s social care teams to offer additional hours to existing staff at plain time rather than the current system of having to engage agency workers at additional cost and disruption to service user experience.
- 7.7 In addition to the removal of enhanced overtime rates, it is proposed to pay all additional hours at the current contractual rate of 1/36th per hour worked. The current overtime pay rate is based on 1/37th for each hour worked. This will ensure that the Council has a fair system in place for those staff who work additional hours beyond the current maximum of 36 hours per week and receive the same hourly rate for these hours as they do under their contract of employment. The cost of this proposed change would equate to approximately £13.5k. The impact of this on individual spinal points of the pay scale is attached at **Appendix 7**
- 7.8 A number of employees through the consultation survey have commented on the current annual leave scheme and outlined their view that it is more preferential for senior officers who are able to access higher levels of annual leave each year. The current annual leave scheme is shown in the table below:

Current leave entitlement (includes 2 days fixed at Christmas)	Length of service (years)		
	0	5	10
Grade			
A (up to £17,714)	23	27	27
E (Up to £25,440)	25	27	28
G (up to £40,791)	27	27	30
J (above £41,791)	29	29	32

- 7.9 Benchmarking of other local authority and private sector annual leave schemes has been undertaken and it is clear that many organisations have moved away from multiple banded schemes to much flatter structures. The maximum leave entitlement in Tameside is the highest in comparison with those benchmarked. Private sector schemes now appear to provide the statutory minimum leave entitlement but have full employee access to purchase additional leave where this is needed. Whilst this was an option considered, this would impact adversely on all employees and in particular our lowest paid staff. Other schemes across AGMA and the private sector are outlined in the table below:

COMPARATOR ANNUAL LEAVE SCHEMES				
Organisation	Minimum days plus 8 days PAID bank holiday	Maximum days	No. grade bandings	No. service bandings
Blackpool	25	32	1	4
Bolton	23	27	1	2
Bury	23+2(fixed)	28+2(fixed)	1	2
Rochdale	23	28	4	1

Stockport	21+2 (fixed)	28+2(fixed)	3	2
Tameside	21+2(fixed)	30+2(fixed)	4	3
Trafford	23+2(fixed)	28+2(fixed)	2	2
Wigan	24	31	2	4
NHS	27	33	1	3
BBC	25	25	1	1
Virgin	Statutory 20	Unlimited buy additional	n/a	n/a
Carillion	Statutory 20	Unlimited buy additional	n/a	n/a
John Lewis Partnership	22	30	2	3
Tesco	20	30	3	5
Statutory minimum	20 days plus 8 bank holidays (not paid)			

7.10 The proposal therefore is to introduce a fairer annual leave scheme which moves from 4 bands based on grade and salary to 2 bands. This will increase the leave entitlement for the lowest paid employees by 2 days per annum, and reduce the higher leave entitlement by 2 days per annum for employees paid on Grade J and above. This includes all senior managers and the Chief Executive. This proposal would mean that we have a fairer and more equitable annual leave scheme with around 61% of the workforce being unaffected. The proposed scheme under this option is shown in the table below:

PROPOSED NEW ANNUAL LEAVE SCHEME(includes 2 days additional leave which is will remain fixed to facilitate Christmas closure)	Length of service (years)		
	0	5	10
Grade			
A to F (up to £20,849)	25	27	28
All grades above G up to and including Chief Executive (£25,440 and above)	27	27	30

7.11 The changes to the annual leave scheme should not be taken in isolation of the proposed removal of the additional day currently provided by the Council at Christmas. Whilst some employees will see an increase of either one or two days in their annual leave entitlement, the removal of the additional day at Christmas will mean a net change of annual leave either staying the same, or increasing by a maximum of one day. Around 69 employees who would see an increase in their annual leave entitlement of one day would need to be covered for the day when taken due to the nature of their job. This would mean a small cost of around £5k (including oncosts) would be borne by the services affected. For those employees who are paid at Grade J and above, the impact of the changes to annual leave and removal of the additional day at Christmas will result in 194 employees (including Chief Executive and senior officers) seeing a reduction in overall leave entitlement of 3 days per annum.

7.12 It should also be noted that 30 employees, of which 26 are employed as youth workers and 4 in Public Health will see a larger reduction in their annual leave entitlement. This is due to their current contractual arrangements allowing higher levels of annual leave than the current maximum within the Councils scheme. For example, many youth workers are currently contractually entitled to 35 days holidays. Under the proposed scheme, this entitlement will reduce to 27 days due to the grade for the roles undertaken.

7.13 Whilst the recommended changes to terms and conditions do not enable the Council to fully achieve the required £1 million reduction in employment costs, it is envisaged that this shortfall could be addressed by further promoting the Council's flexible working policy, including the opportunity for employees to purchase additional days leave each year and

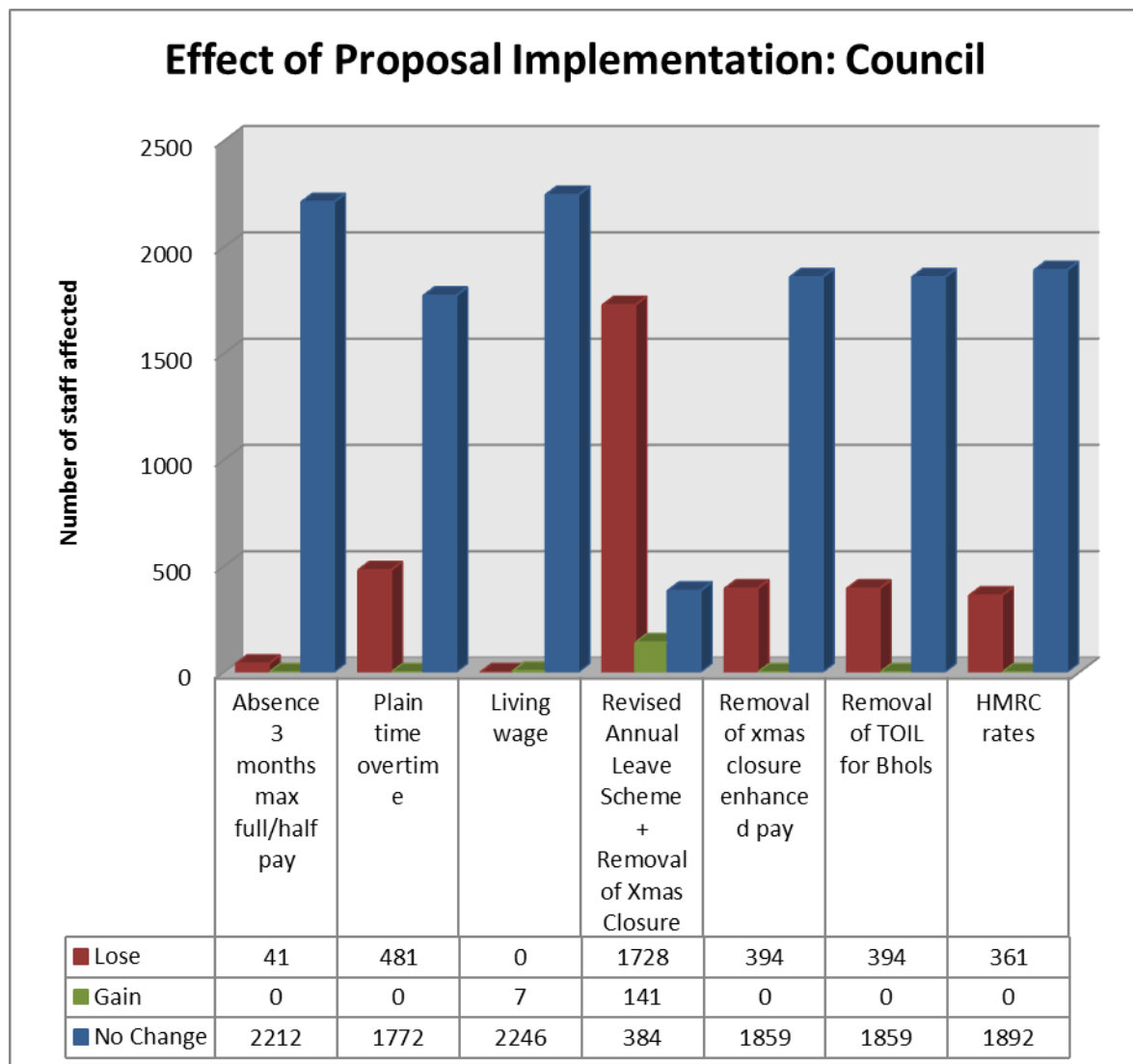
supporting service to review their historical working arrangements to achieve greater service efficiency.

A summary of those affected by the changes to annual leave is outlined in the table below:

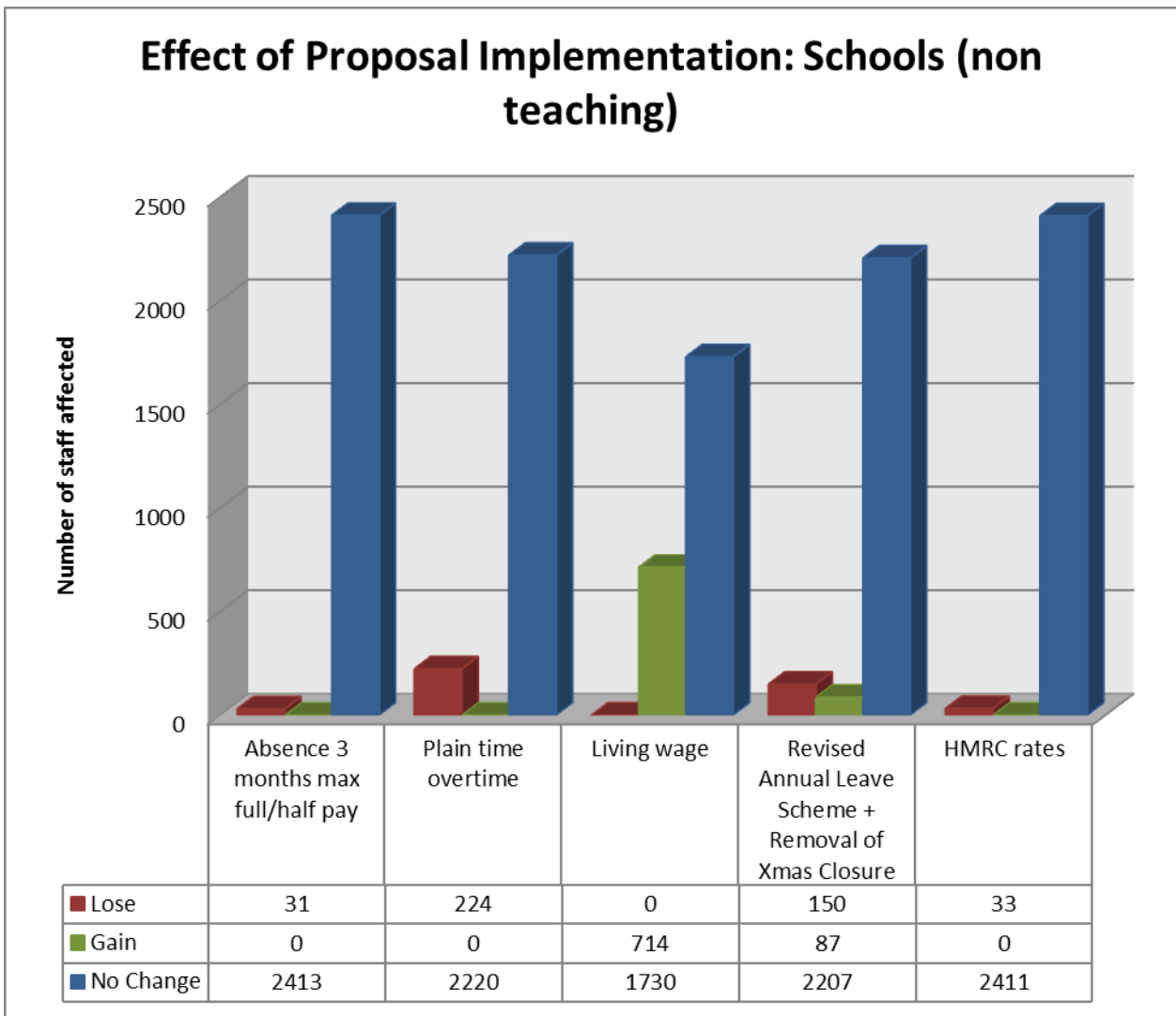
Service	No Change	Lose	Break even with removal of the additional Christmas day	Gain – 1 day annual leave
Governance & Resources	222	38	15	20
Pensions	125	17	9	5
People	933	86	138	60
Place	385	37	89	56
Public Health	14	16	0	0
Schools	2572	8	96	88
TOTAL	4251	202	347	229

7.14 Of the 229 individuals that would see an increase in their annual leave entitlement of one day, it has been established that 69 of these individuals would require some element of cover within the service area to ensure priority service delivery continues. The additional cost for covering these days is estimated at £5k (including oncosts).

7.15 The overall impact of all changes to terms and conditions recommended for Council staff are outlined in the chart below:

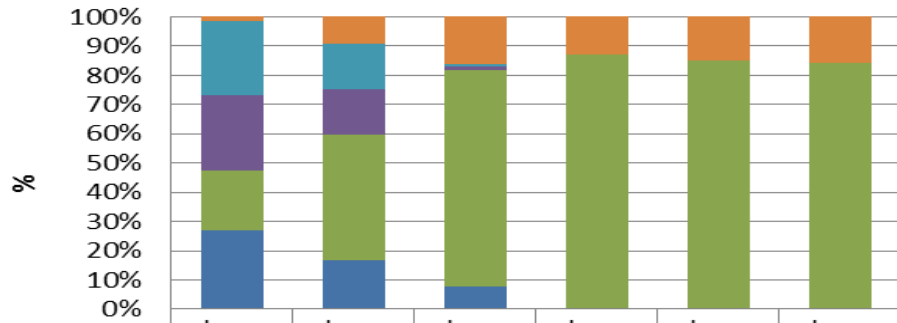


7.16 The overall impact of all changes to terms and conditions recommended for School based staff are outlined in the chart below



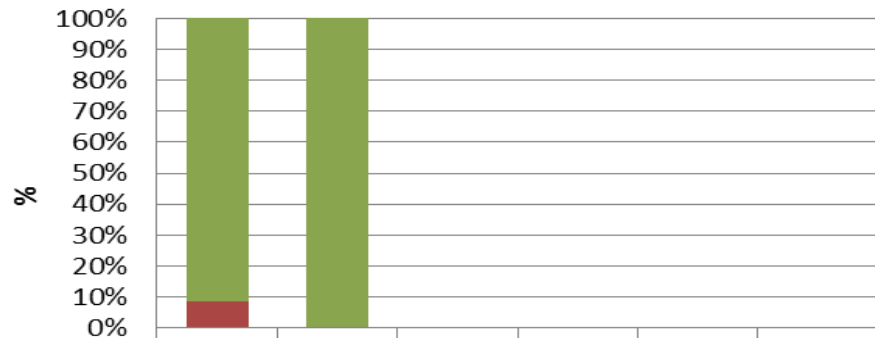
7.17 Feedback from our workforce also indicated that the impact of any proposed changes to terms and conditions should not impact the greatest on our lowest paid and frontline members of the workforce. The proposed changes have taken account of this feedback, the impact of all proposals showing by grade where individuals will gain, lose or see no change is shown in the tables below. For ease, these are split out for Council and School based employees.

Council - Implementation Effect as a % by Grade: Losing



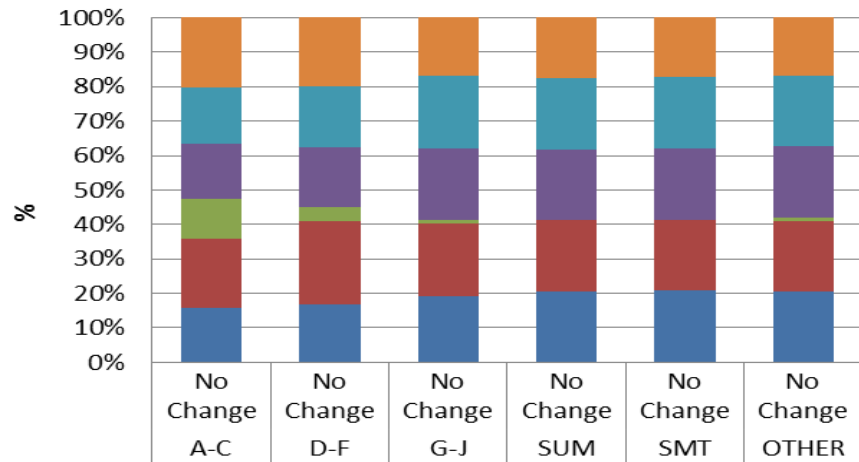
	Lose A-C	Lose D-F	Lose G-J	Lose SUM	Lose SMT	Lose OTHER
HMRC rates	3	197	139	12	3	7
Removal of TOIL for Bhols	58	327	9	0	0	0
Removal of xmas closure enhanced pay	58	327	9	0	0	0
Revised Annual Leave Scheme + Removal of Xmas Closure	47	901	644	82	17	37
Living wage	0	0	0	0	0	0
Plain time overtime	61	353	67	0	0	0

Council - Implementation Effect as a % by Grade: Gaining



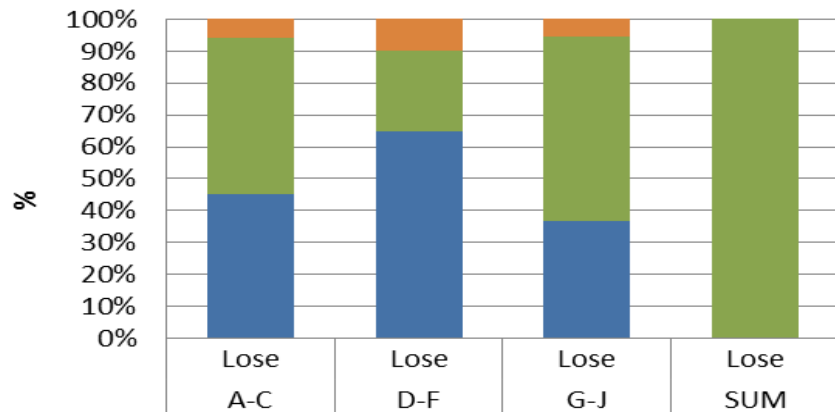
	Gain A-C	Gain D-F	Gain G-J	Gain SUM	Gain SMT	Gain OTHER
HMRC rates	0	0	0	0	0	0
Removal of TOIL for Bhols	0	0	0	0	0	0
Removal of xmas closure enhanced pay	0	0	0	0	0	0
Revised Annual Leave Scheme + Removal of Xmas Closure	74	67	0	0	0	0
Living wage	7	0	0	0	0	0
Plain time overtime	0	0	0	0	0	0

Council - Implementation Effect as a % by Grade: No Change



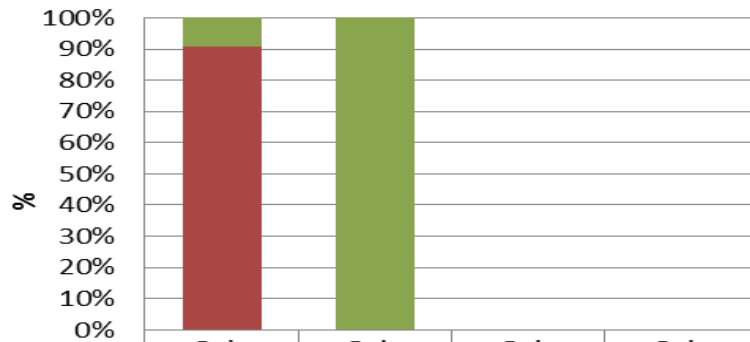
	No Change A-C	No Change D-F	No Change G-J	No Change SUM	No Change SMT	No Change OTHER
HMRC rates	271	972	533	70	14	32
Removal of TOIL for Bholis	216	842	663	82	17	39
Removal of xmas closure enhanced pay	216	842	663	82	17	39
Revised Annual Leave Scheme + Removal of Xmas Closure	153	201	28	0	0	2
Living wage	267	1169	672	82	17	39
Plain time overtime	213	816	605	82	17	39

School - Implementation Effect as a % by Grade: Losing



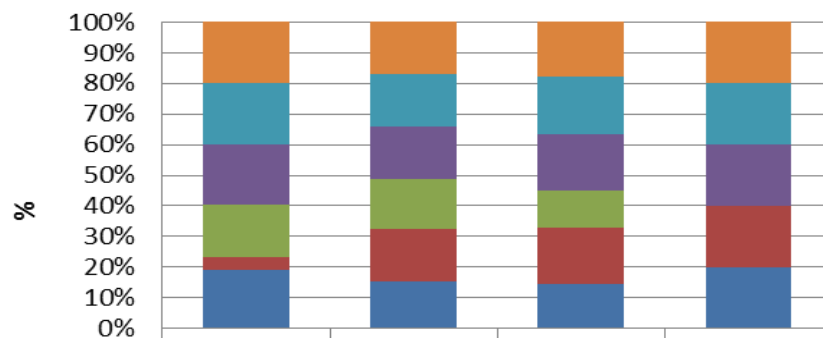
	Lose A-C	Lose D-F	Lose G-J	Lose SUM
HMRC rates	6	24	3	0
Removal of TOIL for Bholis	0	0	0	0
Removal of xmas closure enhanced pay	0	0	0	0
Revised Annual Leave Scheme + Removal of Xmas Closure	51	60	33	6
Living wage	0	0	0	0
Plain time overtime	47	156	21	0

School - Implementation Effect as a % by Grade: Gaining



	Gain A-C	Gain D-F	Gain G-J	Gain SUM
HMRC rates	0	0	0	0
Removal of TOIL for Bhol's	0	0	0	0
Removal of xmas closure enhanced pay	0	0	0	0
Revised Annual Leave Scheme + Removal of Xmas Closure	74	13	0	0
Living wage	714	0	0	0
Plain time overtime	0	0	0	0

School - Implementation Effect as a % by Grade: No Change



	No Change A-C	No Change D-F	No Change G-J	No Change SUM
HMRC rates	896	1420	89	6
Removal of TOIL for Bhol's	902	1444	92	6
Removal of xmas closure enhanced pay	902	1444	92	6
Revised Annual Leave Scheme + Removal of Xmas Closure	777	1371	59	0
Living wage	188	1444	92	6
Plain time overtime	855	1288	71	6

7.18 It is appreciated that some of the proposed changes may adversely impact on some areas of service delivery who have, for example, traditionally relied on the payment of overtime to address peaks in workload, or complete key projects using their skilled and experienced workforce. Every effort will be made to ensure that any proposed changes will be minimised so as not to adversely affect operational service delivery.

7.19 The impact of implementing plain time overtime based on overtime worked during 2014/15 is outlined by service unit in the the table below:

Service Unit	Total Cost Reduction	% of Total
Chief Executive	£0	0.00%
Governance & Resources	-£11,451	5.61%
Pensions	-£15,883	7.78%
People	-£30,710	15.05%
Place	-£109,912	53.87%
Public Health	-£147	0.07%
Schools	-£35,939	17.61%
Grand Total	-£204,041	100.00%

7.20 In addition to the proposed changes to terms and conditions of service, it is also proposed to progress some of the additional suggestions made through the consultation survey to support further cost reductions, these specifically relate to the following:

- Review of the historic maternity leave schemes for all staff to ensure fair and equal access to a single consistent affordable scheme;
- Review of the flexible working scheme to further enhance accessibility and opportunity to work flexible and reduced hours;
- Further promote the annual leave purchase scheme to encourage more employees to access the scheme;
- Review historic working arrangements and practices and support services to find suitable alternative working arrangements to ensure effective service delivery and fair and equal access for all. This will support our workforce to have a good work/life balance and will help the creation of additional apprenticeship opportunities;
- Continued review of the use of agency workers.

8. RESPONSE TO TRADE UNION REQUESTS

8.1 Through the consultation process, UNISON have formally written by email in response to the initial 15 consultation proposals stating that they are unable to engage in any consultation process, particularly where these would see the terms and conditions of their members adversely affected. A copy of this email is at **Appendix 8**. The Trade union have requested that the Council, if introducing any changes consider the following:

1. That contract variations are time limited i.e. to run until no later than March 2018 on this variation
2. That employee and employer LGPS contributions are maintained at pre-variation calculations (with any subsequent pay rise or increment rise values not used to offset such protection)
3. That redundancy or severance payments are calculated at pre-variation contract values for all applicable factors (plus any subsequent pay rise or increment rise values)
4. That in the event of a transfer of employment (TUPE or similar) the variation ceases and this is included in all due diligence processes

8.2 In considering these requests in relation to the proposed combination to implement, the following response will be provided:

1. The changes to terms and conditions for implementation have been considered by Elected Members to ensure that the Council continues to reduce its employment costs along with ensuring that we have appropriate terms and conditions to ensure we are able to recruit and retain our skilled workforce. The Council is committed to reviewing the impact of the proposed changes following implementation but at present is unable to commit to these being time limited, particularly where these are advantageous to our employees.
2. The proposed changes for implementation would likely impact on those employees that are currently in receipt of enhanced overtime payments as the rate of pay when working additional hours would be less than that currently paid. All overtime payments became pensionable in 2015 due to changes within the pension regulations. The majority of employees who would see an increase in their take home pay following the implementation of the Living Wage Foundation rate of pay would not be adversely affected as this would not trigger a change to their pension banding. However, there may be a small number who are paid on point 11 of the pay scale who, due to their contracted hours may see their pension contribution banding increase from 5.5% to 5.8%. For example, someone on scp 11 working 30 hours per week currently will pay 5.5% however implementation of the Living Wage would mean their pension band would increase to 5.8%. At the present time, the Council does not have knowledge of any proposed pension band changes to be put in place from April 2016. Any pension band changes may affect the position further if there are to be any increase in the pension band thresholds.
3. The current voluntary severance scheme calculates any exit payments based on the rates of pay at 2013 and prior to any recent pay increases. It is proposed that this arrangement will remain for the foreseeable future. The scheme is favourable and we would not want to make it unaffordable as it needs to be mutually beneficial to the taxpayer and employee. No proposal for implementation would impact adversely on the current voluntary severance scheme calculation as additional hours and mileage payments are not currently taken into consideration when determining the salary of the individual for use in the voluntary severance calculator.
4. It is recognised that the proposed changes to terms and conditions would normally equally apply to those employees who are due to transfer to another organisation under TUPE arrangements. At the time of the workforce consultation process a large number of primary school catering staff were employed by the Council. As this group were in the process of transferring to an alternative provider, Carillion FM, this group was excluded from the consultation process as the changes to contracts would be put in place after the transfer has occurred. The transfer of this group of staff was implemented on 1 March 2016. It is not possible however to have alternative arrangements in place for any future possible transfers of staff to an alternative organisation under TUPE, or similar arrangements as this would not be lawful. The Council is however committed to protecting the terms and conditions of service for all our workforce and will do everything it can to ensure that any changes implemented have as minimal impact on our workforce as possible.

8.3 In addition to the initial letter received from UNISON outlined above, a further letter was received from both UNISON and GMB by email on 9 March 2016. This letter further makes the specific requests which are made in section 9.2 above and includes a copy of the statements and feedback provided by a number of schools in their letters to the Council. Additionally, this letter provides specific comments and views in relation to a number of the consultation proposals which are not being recommended for implementation. A copy of this letter is attached at **Appendix 9**

9. LIVING WAGE FOUNDATION

- 9.1 The Council is committed to improving and protecting jobs and services whilst improving the income for the lower paid members of our workforce. To that end, the Council has given a commitment to implementing the Living Wage Foundation rate and encourages other employers in the borough to follow suit. Whilst many in our workforce already earn in excess of the Living Wage Foundation rate of pay, a large number of employees, particularly those working within schools, would see an increase in their income levels on implementing this rate of pay. Whilst we have considered the options to reduce the cost of our workforce, it remains important that we consider how best we can help our lower paid employees and establish how a Living Wage Foundation rate can be implemented.
- 9.2 The Living Wage was launched in 2001 and is a non-statutory hourly rate calculated independently based on the basic cost of living. Unlike the National Minimum Wage (recently launched as the National Living Wage from 1 April 2016), the Living Wage reflects a minimum rate of pay to enable individuals to live a reasonable quality of life. Employers can choose to pay the Living Wage on a voluntary basis. The payment is reviewed annually in November and has recently increased by 40 pence per hour to £8.25 (2015 rate) for those outside London and £9.40 for those in London.
- 9.3 Analysis of the impact of the current Living Wage hourly rate of £8.25 has been undertaken to fully understand the additional cost of implementing this and where these costs would fall. These are outlined in the table below:

Directorate	Value of pay below £8.25	Cost impact if pay at minimum of £8.25	Total cost difference £
Governance & Resources	£43,014	£46,510	£796
People	£33,767	£37,193	£1,268
Place	£3,910	£4,307	£147
Schools	£2,615,380	£2,901,139	£117,343
Grand Total	£2,696,070	£2,989,150	£119,554

- 9.4 The number of full time equivalent employees that would see an increase in their hourly rate with the implementation of the Living Wage are outlined in the table below:

Directorate	Grade	FTE
Governance & Resources	GRADE B	3.0
People	GRADE A	2.4
Place	GRADE A	0.3
Schools	GRADE A	171.2
	GRADE B	16.0
Grand Total		192.8

- 9.5 Independent studies outline a number of key benefits for businesses, individuals and society where employers adopt the 'Living Wage'. Such benefits include; reduced turnover and absenteeism, increased quality of work, increased quality of life, and increased number of families out of working poverty.
- 9.6 Whilst the Council continues to be committed to implementing the Living Wage from 1 September 2016, it is appreciated that full accreditation at this stage would increase the financial burden on both the Council and our partners/providers by ensuring that they also provide the same level of remuneration for their workforce. The workforce consultation

process identified that there is a high level of support to increase the hourly rate for our lowest paid workers. Feedback from headteachers and governors through the various briefing sessions also identifies a high degree of support for the living wage foundation rate of pay.

- 9.7 Whilst the Council will apply this rate of pay as a supplement to the current contractual rate of pay for those eligible on Grades A and B, it is recognised that full accreditation with the Living Wage Foundation would place additional responsibilities on the Council to ensure that all contractors and providers also pay at this higher rate. It is currently estimated that this would equate to approximately £5 million, rising to £17 over the next 4 years. It is therefore proposed that the Council will adopt the living wage rate of pay based on November 2015 salaries only and further review the impact of the governments national living wage, any future rate increases and full accreditation with the Living Wage Foundation during 2017/18

10. PAY FOR THOSE WORKING ON A TERM TIME ONLY BASIS (TTO)

- 10.1 Term time workers are often but not only found in schools and are distinguished by the fact that they only work during the school term time period. A Term Time Only worker therefore works a reduced number of weeks during the year, accruing a pro-rata entitlement to pay and annual leave. There are currently 2560 individual job roles working on a term time only basis, of which 2423 are based within schools and 137 within the Council.
- 10.2 Term Time Only workers have their working weeks adjusted and their pay calculated through the TTO formula to account for the reduced working weeks, annual leave entitlement and statutory bank holidays. Their pay is calculated to be paid in 12 equal instalments throughout the year.
- 10.3 A number of queries and comments were made by colleagues based within schools in relation to their pay which is based on term time only working arrangements. There does appear to be a lack of detailed knowledge of how the term time only formula is arrived at, with a large number of employees stating their view that they do not receive pay for the 8 statutory bank holidays or annual leave throughout the year, or have access to a range of policies that staff working all year round have access to. For clarity, all employees working on a term time only basis receive equivalent pay for the 8 statutory bank holidays and their annual leave entitlement per year as part of their salary calculation.
- 10.4 The current calculation for term time only includes the expectation that school based staff working on a term time only basis are paid for 195 days, of which they are required to attend work for 194 days. 190 of which are when pupils are in school, the additional 4 days are to attend 4 of the 5 school training days (known as INSET days) each academic year. There is mixed information as to whether all staff working term time only are consistently required to work these days within their school, therefore potentially being paid for more days than they are entitled to. It is important therefore that we ensure all staff working on a term time only basis are clear on how their salary is calculated and are working their contracted days per academic year to minimise any risk of litigation.
- 10.5 Working weeks vary according to whether the employment contract is with the Council or in a school, the length of continuous local government service and the grade for the role undertaken. Once working weeks have been established pay is calculated to include payment of annual leave entitlement and bank holidays. For Council staff who have choose, through the flexible working policy to work on a term time only basis, their pay is based on a 38 working week year and does not include the additional 4 training days.
- 10.6 There is no national formula for the calculation of term time only pay and it is clear that this therefore varies from one organisation to the next. During the implementation of the Council's Pay and Grading Review in 2009, external legal advice and guidance was taken by

the Council in relation to the calculation used for term time only workers. Price Waterhouse Coopers at that time the Council's external auditors confirmed that the Council's approach was acceptable and within the range of calculations used by other employers. A copy of this advice is attached at **Appendix 10**.

Reduced Working Weeks Comparator (Term Time Percentage Calculation)

- 10.7 The TTO calculation determines a percentage of time worked to that of a full time equivalent employee, taking account of statutory bank holidays and contractual annual leave. The term time percentage calculation is worked out by taking the days the employee works expressed as a percentage compared to a full time, all year round worker, taking into account annual leave and bank holiday entitlements.
- 10.8 The term time only percentage calculation, taking into account the changes to terms and conditions (removal of the Christmas closure and reduced annual leave scheme), would be as follows:

$$\frac{\text{Number of days the employee is expected to attend work (A)}}{\text{Number of days a full year employee actually works for their annual salary (B)}} = \% \text{ FTE (C)}$$

$$52.2 \text{ weeks (D)} \times \% \text{ FTE (C)} = \text{working weeks (E)}$$

$$\text{Annual Salary (F)} \times \frac{\text{working weeks (E)}}{52.2 \text{ (D)}} = \text{Pro Rata Salary (G)}$$

Full details of how the working weeks for both full time and part time employees and calculation of term time only pay, along with a number of worked examples are outlined at **Appendix 11**. This document will be made available, along with all other terms and conditions of service on our portal.

- 10.9 At the time of implementing the Pay and Grading review in 2009, it was agreed that the working weeks for those paid on a term time only basis and working within schools would be increased to include the requirement to work 4 of the 5 training days (INSET days). A survey was undertaken in 2011 by Human Resources with schools to establish how this arrangement had been put in place for employees. Indications at that time showed that around 50% of school based term time only workers were not working their contracted additional days. During the recent consultation process with headteachers it was apparent that this situation may still be the case in some schools, albeit many headteachers did confirm that all support staff were now required to work the 4 additional days.
- 10.10 To ensure that the working days for term time only workers reflect the arrangements within schools, Human Resources have held further discussions with headteachers as part of the consultation process for changes to terms and conditions. These discussions have indicated that on the whole staff are working at least 193 days per academic year and clear feedback from headteachers indicated that their preference, despite the increase in their costs, would be to continue with the expectation that all support staff in schools, paid on a term time only basis be required to attend work for 194 days per academic year.
- 10.11 In view of the feedback received from Headteachers regarding the actual working arrangements in individual schools, it is proposed that the working days used to calculate the pay for term time only workers should remain at 194 working days per academic year and those staff be required contractually to attend work for 194 days per academic year.

11. SERVICE IMPACT OF PROPOSED CHANGES

- 11.1 A number of the proposed changes to terms and conditions of service will impact on all employees equally, for example, the reduction of the sick pay scheme and removal of the

additional day provided by the Council at Christmas. However, it is recognised that whilst it is not proposed to change the current rates of pay for those employees that are contracted to work at weekend and at night, the proposed changes to overtime rates to plain rate for all hours worked will impact predominantly on employees working within the Place and People Directorates as this is where overtime/additional hours are predominantly worked on a regular basis.

11.2 Analysis of the impact of the proposed changes identifies that there remains a number of historical working practices in operation that place a requirement of members of the workforce to undertake additional hours as overtime. Whilst this system may have served us well so far, it is essential that these practices are reviewed to ensure that we are able to deliver our services in the most cost effective way and to ensure that we identify ways to operate differently, providing additional opportunities for the creation of additional jobs through apprenticeships.

11.3 All waste collection drivers are currently paid 3.75 hours per week as contractual conditional overtime. These hours are currently paid at the rate of time and a half. This arrangement is in place to ensure that the service maximises the waste collection hours before visiting the tip at the end of the day. The impact of paying plain time overtime for all hours worked would therefore have a detrimental impact on those employees undertaking this role of around £631 to £715 per annum, which equates to around £52 to £59 per month. A similar working arrangement also exists within the Registrars service. Given these arrangements are very particular to these services areas and are deemed to be the most cost effective way to deliver the service, it is proposed that the payment of conditional overtime will remain paid at time and a half. The application of conditional overtime will be limited to these two groups of staff only as the Council intends that through review of service delivery ultimately there should be no requirement for contractual overtime. For illustration the impact of maintaining the payment of conditional overtime for Waste Collection Drivers based on the higher rate of 1/36th is outlined in the table below:

Proposed Basic & 3.75 hours Conditioned Overtime - 36th all at time and a half							
Annual Salary	basic monthly salary	Hourly Rate @ 36th	monthly Conditioned o/time at time and a half(36th)	revised take home pay per month (Basic + Conditioned Overtime)	Revised annual take home pay per annum (Basic + Conditioned Overtime)	Increase in pay per month	Increase in pay per annum
£18,376	£1,531.33	£9.78	£239.23	£1,770.57	£21,246.81	£27.16	£325.91
£20,849	£1,737.42	£11.09	£271.43	£2,008.85	£24,106.16	£30.81	£369.77

11.4 Specific additional issues have been identified in relation to the proposed changes, particularly relating to the Council's gritting function during adverse weather conditions. The Council currently run a very cost effective system by requesting volunteers from our existing workforce to undertake these activities, for which they are released from their contractual job role and paid at the relevant grade for undertaking the role of Gritter Driver. Whilst undertaking these duties, they are paid on overtime rates of pay. Implementation of these proposals would mean that a Gritter Driver would see some reduction in the rate paid as they will no longer receive time and a half for all overtime hour worked and will receive plain time for additional hours worked over 36 hours during daytime working hours, and will receive the additional night working enhanced rate of a 1/3rd for hours worked between 10 p.m. and 6 a.m. It will therefore be necessary to review the current working practices to ensure that we are able to fulfil our statutory obligations and minimise the adverse impact on our skilled and experienced workforce. A full outline of the proposed changes are outlined in detail for both the Council and schools can be found at **Appendix 12**

12. EQUALITY IMPACT ASSESSMENT

- 12.1 A full equality impact assessment has been undertaken in relation to the 15 consultation proposals. In addition, an equality impact assessment has also been undertaken in relation to one of a number of suggestions provided by employees in relation to a revised annual leave scheme which is recommended for implementation.
- 12.2 Whilst there are no options that have a direct impact on employees within a protected category, given the workforce profile, many options will impact on our female employees as these make up 80% of the workforce.
- 12.3 The equality impact assessment for all consultation options can be found at **Appendix 13**
- 12.4 In January 2009, during the Pay and Grading implementation process, Northgate Arinso undertook an Equality Impact Assessment of the revised grading structure, including the annual leave scheme in place at that time. The report indicated that the Council in comparison with other Councils had a very generous annual leave scheme for those who were paid at higher grades. A decision was taken at that time to therefore reduce the number of annual leave days for senior officer by 3 per annum. Whilst this change was made to address the equality issues, our current scheme remains more favourable for those who are earning the highest and consequently, the proposals seek to address that.
- 12.5 The equality impact assessment for the proposed changes to annual leave entitlement as suggested by our workforce can be found at **Appendix 14**

13. IMPLEMENTATION

- 13.1 It is recognised that varying the terms and conditions of our workforce is not something that we will be able to collectively agree with our recognised Trade Unions. To that end, it will therefore be necessary to seek the acceptance and agreement to the proposed changes with individual employees. From our previous experience of taking such an approach it has been important that we allow sufficient time to ensure that we engage positively with our workforce to allow them to fully understand the impact of the proposed changes on themselves and take advice on whether to agree to the variation taking account of the implication of not agreeing.
- 13.2 Following the Executive Cabinet meeting, all employees will be provided with an outline letter of the approved proposals to be implemented and outlining the key changes to terms and conditions from 1 September 2016.
- 13.3 At the end of the formal consultation period on 31 January 2016, the trade unions requested the Council allow a further period of consultation to enable them to make further representations to the Council and consider the implications and impact of the various consultation options. As the Council is committed to working in partnership with our trade unions, this request was supported and consultation with the trade unions continued until the middle of March 2016. This allowed the opportunity for the trade unions and Council to further discuss and understand the implications of proposals.
- 13.4 To ensure that the Council implements the changes from 1 September 2016, it will be necessary to undertake a statutory disengage/reengage process to change from the current contract of employment and offer re-engagement on the new terms and conditions of service with effect from 1 September 2016.
- 13.5 In addition, headteachers and senior managers will be required to attend a dedicated briefing session where further information on the implementation plans and process will be outlined along with their role and responsibility in supporting our workforce throughout this process.

- 13.6 All employees will also be provided with the opportunity to attend a number of dedicated drop in sessions where colleagues from Human Resources will be able to outline the proposed changes and answer any queries they may have in relation to the changes and implementation process.
- 13.7 Throughout regular updates on progress to full sign up will be provided to Executive Board, Senior Managers, Headteachers and Trade Unions. Every effort will be made to ensure that our workforce are as fully informed as possible and understand the implications of a decision to not sign up. This will include a number of reminders to those employees that have not responded before the agreed timescale for responding.
- 13.8 If an employee refuses to agree to the revised terms and conditions of employment by the end of their notice period and does not return to work, they will be deemed to have been dismissed for “some other substantial reason” and a termination of employment will be processed. No redundancy payment or other benefits will be payable to an employee who refuses to accept revised terms and conditions.
- 13.9 The revised terms and conditions of service will be implemented from 1 September 2016.

14. TIMELINE

- 14.1 The proposed timeline for consultation and implementation is outlined in the table below:

Stage	Commence
Employment Consultation Group	22 March 2016
Executive Cabinet	24 March 2016
CDT	29 March 2016
Initial letter to all staff	29 March - 1 April 2016
Headteacher and Diocese briefing	29 March – 1 April 2016
Consideration of any feedback from letter to staff	April 2016
Implementation – Issue of 90 Day Notices	9 May 2016 to 31 May 2016
Deadline for Receipt of Signed Contract	31 August 2016
Implementation of Revised Terms And Conditions	1 September 2016

15. RECOMMENDATIONS

- 15.1 As outlined at the front of this report