

BABERGH DISTRICT COUNCIL or / and MIDSUFFOLK DISTRICT COUNCIL

From: Corporate Manager – Organisational Development	Report Number: N26
To: Council	Date of meeting: 25 June 2013

COLLECTIVE AGREEMENT ON EMPLOYMENT TERMS, CONDITIONS AND POLICIES

1. Purpose of Report

- 1.1 To outline the proposed new package of salary and grading structure, employment terms, conditions, benefits and policies that will replace the existing arrangements within the two Councils.
- 1.2 To seek agreement to the proposed package on behalf of the Councils, enabling a Collective Agreement to go forward with the recognised Trade Unions.

2. Recommendations
2.1 That the proposed whole package of employment terms, conditions, benefits and policies as outlined in the Appendix to this report be approved, to apply to all employees within the integrated structure and replace the existing arrangements within the two Councils.
2.2 That the proposed grading and salary scale structure as outlined in this report be approved, enabling a Collective Agreement to go forward.

3. Financial Implications

- 3.1 The proposed salary and grading structure has been applied in all the cost evaluations for the integrated management and staffing structure, and officers are confident that the savings targets set out in the business case will be met.
- 3.2 The proposed package of terms, conditions, benefits and policies will result in a reduction on current costs. The actual reduction is difficult to quantify at this time.

4. Risk Management

- 4.1 Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
A new package covering salary and grading structure, employment terms, conditions, benefits and policies is not approved	Low	Medium - Appointments to the integrated structure will not be confirmed as expected leading to likely delays in moving forward with integration and transformation. Industrial relations issues also possible.	Approve the pay structure, enabling a collective agreement to go forward

5. Consultations

- 5.1 The package of benefits has been achieved through extensive discussion and negotiation with recognised Trade Unions, UNISON and UCATT/UNITE and their regional and local representatives and with the Joint HR Panel of Members.
- 5.2 The package will require sign off by the national union bodies and the Unions will ballot their members at both Councils before confirming agreement

6. Equality Analysis

- 6.1 A full equality impact analysis has been undertaken on all of the proposals and has been shared with the UNISON national equality team for sign off.
- 6.2 There are some minor issues that are currently being addressed and overall the outcome is a positive one from an equalities perspective, with some of the proposed terms and conditions changes improving some previous areas of inequality.

7. Shared Service / Partnership Implications

- 7.1 These proposals are critical to delivering an integrated workforce across the two Councils.

8. Key Information

- 8.1 All new posts that have been developed in the integrated structure have been assessed using the national local government job evaluation scheme. A panel of union representatives and staff volunteers has been developed, supported and led by HR and has carried out all evaluations using job profiles and information provided by Managers. An independent pay consultant has provided expertise and guidance in the development of job grades to reflect the job evaluation outcomes and to meet the requirements of equal pay legislation.
- 8.2 There is a total of 9 grades covering all posts below Head of Service level and a total of 12 grades covering all posts within the integrated structure including the Chief Executive. The grades are relatively short and do not overlap which reflects best practice with respect to equal pay and have union endorsement. The pay and grading structures currently in place at each Council include lengthy grades (up to 20 increments in some) and significant pay scale overlaps.
- 8.3 Management and Union Representatives, together with the Joint HR Panel of Members have been working over recent months to review the benefits, policies, terms and conditions of employment in place at both Councils and to develop a new package for all within the integrated workforce. This has been seen as an opportunity to align the new benefits, policies, terms and conditions of employment to the adopted design principles of the organisations.
- 8.4 One of the biggest differences across the proposed package of terms, conditions and benefits is the removal of graded benefits and terms linked to hierarchy and salary. This approach supports the design principles of the new joint workforce and the flatter organisational structure. The new terms and benefits apply across all grades and posts in the same way, with clear and transparent entitlement criteria.

- 8.5 The aim is to adopt this new package by means of a formal Collective Agreement between the Councils and the representative Union bodies before 1 July 2013. A Collective Agreement is contractually binding on all staff and is recognised as a positive and constructive shared mechanism to achieve employment changes.
- 8.6 The proposed package includes the withdrawal and reduction of benefits in some areas and harmonisation that has led to some improvements for groups of staff, with reductions for others. The Joint HR Panel and the Union representatives agree that this is a balanced package that will support the integration and transformation aims of both Organisations. This does not of course prevent further review and changes as both Councils move forward. However, the package is being recommended in its entirety and can only go forward if agreed in full, as any agreement in part would require a referral back to the review and negotiation stage where the full package may be disassembled.
- 8.7 The proposals within the package are summarised in the Appendix to this report and these will replace any existing terms and conditions with effect from the date that the Agreement is confirmed (or a relevant later date where that is specified within the Agreement). If an existing benefit or employment term is not listed then that is most likely because it has been removed.

9. Appendices

Title	Location
Outline summary of proposed package of Employee benefits, policies, terms and conditions of service	attached

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Appendix to Paper N26

Proposed Employee benefits, policies, terms and conditions of service
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Ts & Cs/Benefit	Summary description
Annual Leave	<p>One leave rate for all. Increase in leave step up - after 5 years' continuous service. Annual leave to be: 23 days pa from appointment 28 days pa after 5 years' continuous service</p>
Statutory Holidays	<p>2 statutory days for all staff with Councils retaining option to fix at any time in consultation with recognised Unions on an annual basis. Note: there are different Christmas opening arrangements across the two offices and appropriate cover must be provided from ODTs regardless of who the host employer is.</p>
Flexible working scheme	<p>Agreed policy outline to include:</p> <ul style="list-style-type: none"> ● Primary objective is to ensure business and customer needs are met at all times ● No core working day ● Time can be worked between 7.00am and 8.00pm ● Up to one flexible day off in a calendar month, with CM discretion to go above where justified to meet specific service demands ● No automated time recording system ● Applicable to all staff subject to the principle of meeting business needs which will justifiably place restrictions on application in some service areas and teams
Sickness Policy	No change to current policies – already aligned
Incremental progression	<p>Outline principles:</p> <ul style="list-style-type: none"> ● Incremental progression based on performance and competency ● “fully achieved” definition of performance level required to receive one increment. This will cover: <ul style="list-style-type: none"> - demonstrating required competency levels as defined in person specifications - annual targets - defined behaviours ● Recognising that new jobs have been developed to reflect flexibility, a flatter structure and the required competencies and behaviours to take the Organisations forward. This definition covering targets set, behaviours required ● No increment for anything less than ‘fully achieved’ ● No additional award for exceptional performance – though note establishment of career grades across the Organisation and the scope for development opportunities through projects and cross service teams

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Ts & Cs/Benefit	Summary description
	<ul style="list-style-type: none"> •Appraisal system to be developed to support transparent management •Appeal mechanism linked to performance level awarded
Essential car user allowance	<p>Agree new criteria to relate to business journeys only, excluding any travel to work journeys. Link to – regularity; predictability and frequency of business journeys</p> <p>No minimum annual mileage required</p> <p>JNC rates apply with two levels payable – at 999cc and below and over 1000cc</p>
Casual car user allowance	Inland Revenue mileage rate payable only.
Subsistence expenses	<p>Criteria to be that claims can only be made where officer away from home on business for minimum period of 24hours</p> <p>Maximum rates payable are as recommended by EELGA</p> <p>Receipts for expenses incurred must be provided</p>
Acting up scheme	<p>Acting up scheme to be developed meeting the following principles:</p> <ul style="list-style-type: none"> • Criteria must be transparent and defined clearly with opportunities accessible to all, enabling fair competition • The acting up must be for a period of at least 3 months • Payment determined in advance and reflecting the two levels of acting up - whether undertaking the whole of the higher grade post or undertaking a significant part of the higher grade job. Anything less would not attract this payment and would be picked up through management of a flexible work force
Notice periods required	<p>1 month – grades 1 to 4</p> <p>2 months - grade 5 and 6</p> <p>3 months – grade 7 and 8</p>
Overtime Payments	JNC pay and conditions apply
Standby payments	Where standby rota in place to meet service needs –flat rate payment of £109 per week payable.
Home working	The BDC policy will continue in its current form and will be reviewed when the ICT availability is equitable across the two Councils with a view to extending a policy to all staff
Pay protection scheme	Current policies are aligned
Market supplement scheme	<p>Scheme at MSDC will be withdrawn with immediate effect. Agreed new scheme will be developed but no urgency given current economic climate. Scheme to include the following principles:</p> <ul style="list-style-type: none"> •Evidence of market shortage of posts •Supplement to be additional payment outside of core salary

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	• Annual review of supplement with clear mechanism for removal where no longer objectively justified.
Car Parking	Parking available to staff at the Council office car parks will be free of charge
Health care provisions	Welfare and counselling provisions by external provider. Other discounted health schemes available to all – currently Benenden, Bupa and the health scheme to be paid for in full by those that choose to join.
Time off for election duties	Flexible or annual leave will have to be booked to cover any period of time working on paid election duties (including assisting at polling station/postal votes or at count). Managers will use their discretion around election periods in authorising additional flexi leave where necessary to support the election process.
Time off for public duties	JNC conditions apply
Professional body membership fees	Current policies are aligned