

## TRAFFORD COUNCIL

**Report to:** Employment Committee  
**Date:** 12<sup>th</sup> December 2016  
**Report for:** Information  
**Report of:** Deborah Lucas, Acting Director of HR

### Report Title

**Staff Terms & Conditions – Proposed Extension and Amendment to Mandatory Unpaid Leave**

### Recommendation(s)

**It is recommended that Employment Committee notes the content of this report**

Contact person for access to background papers and further information:

Name: Deborah Lucas  
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Relationship to Policy Framework/Corporate Priorities	This proposal aligns with the council's Corporate Priorities in respect to 'Low Council Tax and Value for Money' and 'Reshaping Trafford Council'.
Financial	The proposal to extend unpaid leave will contribute to annual savings in the region of £0.5m to support the 2017/18 budget savings.
Legal Implications:	The implementation process will be fully compliant with employment legislation.
Equality/Diversity Implications	An Equality Impact Assessment is being undertaken in line with the Equality Framework and it will be available to members of the committee when considering the outcome of consultation report.
Sustainability Implications	None
Staffing/E-Government/Asset Management Implications	The implementation process may impact upon staff morale and employee engagement.
Risk Management Implications	The risks associated with these proposals are low to medium. They relate to potential industrial action and a possibility that staff may not accept the extension to unpaid leave. This may impact on service delivery and may also lead to litigation in relation to claims for unfair dismissal and breach of contract.
Health & Wellbeing Implications	As above, the proposals may impact on staff health and wellbeing; support is available via existing health management procedures.
Health and Safety Implications	None

## **1.0 BACKGROUND**

- 1.1 Further to the extensive consultation which took place back in 2013, the Council implemented a package of changes to employee terms and conditions, effective from 1<sup>st</sup> April 2014. This review included the introduction of 3 days mandatory unpaid leave for a temporary period of two years (1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2016). At the time, the proposal was that this provision would be reviewed towards the end of the two year period i.e. at the end of 2015. For the period 2014 – 2016, the total savings associated with the 3 days unpaid leave was £1.05m.
- 1.2 At the end of 2015, the mandatory unpaid leave arrangement was reviewed and a proposal was presented to the Employment Committee to extend this arrangement for a further 12 months. This proposal was agreed by Employment Committee in January 2016, with a commitment that during this 12 month period, the Council would promote a voluntary unpaid leave scheme to try and mitigate the requirement for a mandatory scheme.

## **2.0 UPDATE ON POSITION**

- 2.1 In line with the commitment that was given to promote a voluntary unpaid leave scheme, during the summer of 2016, the Council formally promoted this across the workforce. This scheme ran for a period of two months and was promoted widely via communications on the staff intranet site and also via the weekly staff update system.
- 2.2 An analysis of take-up of the scheme was then undertaken at the end of September 2016. The analysis highlighted that a total of 430 staff had applied to take additional unpaid leave, which equated to total savings in the region of £290,000 (including on-costs). Target savings per annum for unpaid leave is £0.5m which meant that the shortfall for 2017/18 was projected as being £210,000.
- 2.3 In order to achieve this shortfall, a proposal was then developed to reduce the existing mandatory unpaid leave scheme from 3 days' to 1.5 days', for an extended period of 12 months, until 31<sup>st</sup> March 2018.

## **3.0 CONSULTATION PROCESS**

- 3.1 In order to amend and extend this arrangement, the Council has a legal obligation to undertake a period of statutory consultation with recognised trade unions and the workforce. The aim of the consultation is to try and reach agreement on the contractual variation, either on a collective or an individual basis. In the event that this is not achievable, the Council would need to issue notices of termination and re-engagement to those staff affected by the proposed change.
- 3.2 This statutory consultation exercise has commenced and has been aligned to the budget consultation timeline for 2017/18. In this respect, formal collective consultation commenced on 7<sup>th</sup> November 2016, when a S.188 notice was issued to the recognised trade unions. Consultation will run until 3<sup>rd</sup> January

2017 and during this period, the Council will seek to reach agreement with the trade unions via its regular collective consultation meetings, however, should this not be achieved, the Council is also consulting with employees on an individual basis via individual letters and via the intranet site, with a view to seeking voluntary sign up to the proposal.

- 3.3 To date, out of the 1181 staff directly impacted by the proposal, 256 have accepted the change on a voluntary basis and this number is increasing daily. A verbal update on the position will be provided to Employment Committee at the meeting.
- 3.4 At the end of the consultation period, feedback will be collated and an outcome report with a set of recommendations will be presented to the Employment Committee for a final decision. This report will be presented to the Committee on 16<sup>th</sup> January 2017.
- 3.5 Subject to approval, the proposal to extend and amend the mandatory unpaid leave arrangement will be implemented from 1<sup>st</sup> April 2017.

#### **4. RECOMMENDATION**

- 4.1 Employment Committee is recommended to note and support the above proposals as part of the 2017/18 budget consultation process.