

## TRAFFORD COUNCIL

**Report to:** Accounts and Audit Committee  
**Date:** 25 March 2014  
**Report for:** Information  
**Report of:** Director of Human Resources

### Report Title

**Annual Governance Statement 2012/13 – update on significant governance issue : Terms and Conditions**

### Summary

This brief report provides an extract from the 2012/13 Annual Governance Statement outlining one of the significant governance issues identified for further development through 2013/14 i.e. Changes to staff terms and conditions as part of ongoing plans to achieve savings.

It also includes a brief update on progress on implementation of the new terms and conditions, which will be effective from 1<sup>st</sup> April 2014.

### Recommendation

The Accounts and Audit Committee is asked to note the report for information.

### Contact person for access to background papers and further information:

**Name:** Joanne Hyde, Director of HR  
**Extension:** x1586

### **Background Papers:**

None

**Annual Governance 2012/13 Statement – Significant Governance Issue :  
Terms and Conditions**

**1. Introduction**

- 1.1 Detailed below is an extract from the 2012/13 Annual Governance Statement followed by a brief update on actual progress made to date in respect of one of the significant governance issues referred to in the Statement i.e. staff terms and conditions.

**2. Annual Governance Statement 2012/13 Extract**

- 2.1 The following detail was included in sections 5.3 and 5.4 of Trafford Council's 2012/13 Annual Governance Statement:

*The Council is committed to achieving its objectives through good governance and continuous improvement. Going forward, the Council will continue to transform service delivery arrangements, to ensure the Council effectively delivers its objectives and manages its resources to meet the ongoing financial challenges being faced.*

*Detailed below are significant governance issues and a summary of the actions planned to address these in 2013/14.*

**2012/13 Issues and Action Planned 2013/14**

**3. Terms and Conditions**

*In 2012/13, the Council began a process of considering a number of options which would result in changes to staff terms and conditions as part of ongoing plans to achieve savings. The Council started a review of staff terms and conditions to try to find ways to achieve maximum savings with minimum impact on the workforce and where at all possible, without changing core employment benefits, i.e. basic pay and pensions. The Council also wants to protect those staff on lower salaries.*

*In 2012/13, a number of ideas were shared with staff and trade unions to gain feedback to assist in considering any possible changes. Staff were given the opportunity to comment on the initial ideas and also provide alternative suggestions. In 2013/14, proposals for changes to terms and conditions are to be developed for formal consultation.*

**3. Updated position (March 2014)**

- 3.1 Following a period of informal consultation between October 2012 and October 2013, a final package of proposals was put to the workforce and the trade unions on 3<sup>rd</sup> October 2013, when the Council issued a S.188 notice. This marked the commencement of a statutory 45 day consultation period which ended on 17<sup>th</sup> November 2013.

- 3.2 The framework for the statutory period of consultation mirrored that which had been adopted for the previous consultation processes which had taken place in December 2012 and June 2013. The formal process included a series of 11 staff information sessions, led by a Corporate Director, a member of the HR Leadership Team and an Elected Member. As in the preceding consultation exercises, these sessions were very well attended and generated lively discussion and feedback from the workforce. In addition, dedicated intranet pages were developed, direct mailshots were sent out to all staff (including absent staff) and formal weekly meetings were undertaken with the trade unions.
- 3.3 The period of formal consultation concluded on 17<sup>th</sup> November 2013 and a significant amount of feedback was once again received from staff and the trade unions.
- 3.4 Taking into account this feedback, a final position was developed and this was presented to the Employment Committee for approval on 2<sup>nd</sup> December 2013.
- 3.5 The final position set out the following changes to terms and conditions:
- Withdrawal of the Essential Car User Scheme for all staff and introduction of a Critical Car User Scheme, with a revised assessment criteria and reduced lump sum allowance of £423 per annum;
  - Introduction of a uniform mileage rate based on the HMRC rate (currently 45p per mile);
  - Reduction in the sick pay scheme to a maximum of 3 months full pay and 3 months half pay;
  - Introduction of a mandatory 3 days unpaid leave for a temporary period of 2 years;
  - Introduction of a Trafford “Living Wage” of £7.20 for the lowest paid staff;
  - Reduction in the rate of pay for non-contractual overtime to plain time;
  - Removal of the relocation allowance for enforced moves within the borough (Appendix E payments)

In addition, a commitment was given to reduce overall spend on overtime and agency working.

- 3.6 Given the changes to the original proposals, the savings target was revised to an estimated £1.9m.
- 3.7 These changes were approved by the Employment Committee on 2<sup>nd</sup> December 2013, with an implementation date of 1<sup>st</sup> April 2014.
- 3.8 In this respect, the following implementation timeline was agreed:

<b>DATE</b>	<b>ACTION</b>
2 <sup>nd</sup> December 2013	Employment Committee
4 <sup>th</sup> December 2013	Issue letters to all staff seeking individual agreement to change terms and conditions on a voluntary basis
6 <sup>th</sup> January 2014	Commence 12 week termination and reengagement process for those staff who have not voluntarily agreed to change their terms and conditions and continue to seek voluntary agreement to changes throughout the notice period
1 <sup>st</sup> April 2014	Implement revised terms and conditions

- 3.9 To date, over 90% of the workforce have voluntarily accepted the changes to terms and conditions, leaving around 360 staff who have yet to sign up.
- 3.10 Targeted communications have now been issued to these staff to remind them of the sign up process and also to inform them of what will happen on 1<sup>st</sup> April 2014 if they do not wish to accept the revised terms and conditions.
- 3.11 In addition, meetings are planned with Corporate Directors to discuss business continuity plans for those areas where staff have yet to sign up. These meetings will take place during week commencing 17<sup>th</sup> March 2014.
- 3.12 Detailed guidance on how the transition to the new terms and conditions will be managed will also be cascaded to all staff week commencing 17<sup>th</sup> March 2014.