



Appointments Committee

Wednesday, 4 February 2015 10.30 a.m.
Marketing Suite, Municipal Building



Chief Executive

COMMITTEE MEMBERSHIP

Councillor Rob Polhill	Labour
Councillor Mike Wharton	Labour
Councillor Robert Gilligan	Labour
Councillor John Bradshaw	Conservative
Councillor Margaret Ratcliffe	Liberal Democrat

Please contact Angela Scott on 0151 511 8670 or email angela.scott@halton.gov.uk for further information.

**ITEMS TO BE DEALT WITH
IN THE PRESENCE OF THE PRESS AND PUBLIC**

Part I

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In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

REPORT TO: Appointments Committee
DATE: 4 February 2015
REPORTING OFFICER: Strategic Director, Policy & Resources
TITLE: Revised Terms for the Staffing Protocol
WARDS: Borough Wide

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to seek the Appointments Committee's approval for the removal of augmentation (added years) for voluntary early retirement in the interest of efficiency of the service; and approval for revised terms for voluntary redundancy for the period January 2015 – March 2016, as contained in the Staffing Protocol,.

2.0 RECOMMENDATION: That

- 1) the Appointments Committee approves the introduction of revised discretionary terms for voluntary redundancy for the period 1st January 2015 – 31st March 2016, and;**
- 2) approves the removal of augmentation (added years) for voluntary early retirement in the interest of efficiency of the service.**

3.0 SUPPORTING INFORMATION

3.1 Recent years have seen the Council respond to very challenging budget with cuts of circa £21 million for 2013/14 and £16 million for 2014/15. There remain even more challenging times ahead and one of the tried and tested methods the Council has used to contribute towards these saving has been by seeking volunteers for early retirement/redundancy in the interests of the efficiency of the service.

3.2 ADDITIONAL PENSION CONTRIBUTIONS:-

On the 1st April 2014, the Local Government Pension Scheme changed significantly from a final salary scheme to a career average scheme. This meant that as pensions will no longer be calculated on service but on average earnings, it is no longer possible to give the equivalent of added years and the ability to do this has been removed from the Pension Scheme Regulations.

- 3.3 As an alternative, there is the ability to purchase an Additional Pension Contribution. This can either be purchased by the employer for the employee, the employee can purchase it themselves, or it can be a shared cost. The maximum amount that can be added to an individual's pension is £6,500 in the current financial year, however this will increase every year. There is an Additional Pensions (APC) calculator on the Cheshire Pensions website which will tell an individual how much they have to pay to add extra benefits to their pension.
- 3.4 Amounts vary depending on an individual's length of service, age, normal pension age, salary etc. however all calculations undertaken showed that it was expensive to buy additional benefits for staff, thereby eliciting very little saving in the first instance.
- 3.5 For this reason, following consultation with the trade unions, it was agreed that this facility should be removed from the Staffing Protocol and no consideration to purchasing an APC would be given in the interest of the efficiency of the service.
- 3.6 An employee may choose to purchase their own APC should they wish to do so.

4.0 **VOLUNTARY REDUNDANCY**

- 4.1 Expressions of interest for employees to leave on the grounds of either voluntary early retirement or voluntary redundancy were incorporated into the Staffing Protocol in 2009 when the Council went through the first wave of the Efficiency Programme.
- 4.2 These schemes were designed to elicit sustained revenue savings. Voluntary redundancy was an alternative to voluntary early retirement and is open to all employees to apply for, although it was generally only available to employees aged 50 or below (this changed to age 55 in 2010) as those employees who could access their pension were generally considered for voluntary early retirement.
- 4.3 As the Council can no longer give added years and if this Committee agree not to purchase additional pension contributions, as recommended, then any employees wishing to leave the Council on a voluntary basis would be considered for voluntary redundancy. An employee could volunteer to leave either when placed at risk as part of a restructuring exercise; in an attempt to resolve a compulsory redundancy situation; or where management can consider if they wish to delete their post or re-allocate the work in a diminished form.

5.0 **The Staffing Protocol**

- 5.1 This Committee agreed a Staffing Protocol on 21st September 2009 which outlined, amongst other things, the Councils approach to voluntary early retirement and redundancy.

- 5.2 The initial terms for both Voluntary early retirement and voluntary redundancy were more generous than at present and have been reduced over time from a maximum of 6 2/3rds added years and a redundancy multiplier of 2.2, to the current multiplier of 1.4, with the approval of this committee. Added years can no longer be given.
- 5.3 When the multiplier was at the higher end, it was very successful in attracting volunteers and enabled us, in the main, to allow volunteers to leave and therefore minimise compulsory redundancy. This is supported by the amount of savings achieved as detail below:-

Financial Year	No.of Volunteers	Savings	Protocol Multiplier
2010/11	110	3,968,227	2.2
2011/12	57	1,753,038	2.2
2012/13	17	612,337	1.8
2013/14	10	440,317	1.6
2014/15 to date	7	222,607	1.4

These figures do not include the significant numbers of volunteers who left in 2009/10 when the Council delivered a number of different efficiency work streams at the start of the Efficiency Programme.

- 5.4 Following a request from the Trade Unions at the Corporate Joint Consultative Committee, management agreed to consider a temporary increase to the multiplier, in order to attract volunteers and to avoid, wherever possible, compulsory redundancies.
- 5.5 Negotiations have been on-going with the trade unions for some months with a view to reaching agreement on an improved voluntary redundancy scheme, designed to re-invigorate the scheme to attract more volunteers.
- 5.6 Whilst the trade unions' starting point was to seek an increase of the redundancy multiplier back to the original position of 2.2, they have agreed with management to recommend to this Committee a multiplier of 1.9. This would be for a time limited period from 1st January 2015 – 31st March 2016, after which time it would be reviewed. For those employees who are aged over 55, they will have the right, under the pension scheme regulations to access their accrued pension.
- 5.7 This remains a discretionary payment and the revised multiplier, if approved, would be publicised to the workforce as applying only for the specified period. Applicants would be considered by Strategic/Operational Directors after the manager of the service has consulted H.R. to formally review the application, explore ways of acceding to the application, impacts on the service, on remaining staff etc. There has to be a "benefit" to the Council to acceding to any requests.

6.0 Terms for VER/VR in the Northwest

- 6.1 Requests have been made for details of neighbouring Authorities terms for Voluntary Redundancy, and the following information has been gathered:-

Cheshire West and Chester – Multiplier x 2 capped at 52 weeks

St Helens - No multiplier; statutory at actual weeks' pay

Wirral – multiplier of x 1.4

Manchester – Multiplier of x 3

Knowsley – No multiplier; statutory at actual weeks' pay

Sefton – No multiplier; statutory at actual weeks' pay

Oldham – multiplier x 1.5.

7.0 POLICY IMPLICATIONS

- 7.1 Although the terms for voluntary redundancy are discretionary, any applications to leave in this way will be dealt with through the provisions of the Staffing Protocol.

8.0 OTHER IMPLICATIONS

- 8.1 There are financial implications involved in these recommendations. No applications will be considered unless there is a saving to the Authority.

9.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

9.1 Children and Young People in Halton

As the schemes are discretionary they will be applied to applicants in such a way as to ensure the continued delivery of the Council's priorities and ensure that there are no implications for children and young people in Halton.

10.0 Employment, Learning and Skills in Halton

- 10.1 As the schemes are discretionary they will be applied to applicants in such a way as to ensure the continued delivery of the Council's priorities.

11.0 A Healthy Halton

- 11.1 As the schemes are discretionary they will be applied to applicants in such a way as to ensure the continued delivery of the Council's priorities.

12.0 A Safer Halton

12.1 As the schemes are discretionary they will be applied to applicants in such a way as to ensure the continued delivery of the Council's priorities.

13.0 Halton's Urban Renewal

13.1 As the schemes are discretionary they will be applied to applicants in such a way as to ensure the continued delivery of the Council's priorities.

14.0 RISK ANALYSIS

14.1 A risk register is kept and regularly reviewed by the Efficiency Programme Office. Risks are traffic-lighted and the Efficiency Programme Board agrees action to mitigate risks.

15.0 EQUALITY AND DIVERSITY ISSUES

15.1 Human Resources processes must be applied consistently and fairly to ensure that unlawful discrimination does not occur. To reduce these risks, Human Resources procedures have been robustly tested over time and have been subject to extensive consultation to reach agreement with trade union colleagues.

15.2 Equality Impact Assessment has been undertaken on the Protocol.

16.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.

REPORT TO: Appointments Committee

DATE: 4 February 2015

REPORTING OFFICER: Strategic Director, Policy & Resources

TITLE: Changes to Terms and Conditions of Service – Budget Savings

WARDS: Borough Wide

1.0 PURPOSE OF REPORT

1.1 This report is to update the Appointments Committee on negotiations regarding terms and conditions of employment for staff for 2015/16.

2.0 RECOMMENDATION: That the Appointments Committee agree the changes to terms and conditions of service for staff as discussed in this report.

3.0 BACKGROUND

3.1 In May 2012, the Council undertook negotiations with the recognised trade unions with regard to four days unpaid leave, which was to be taken over the Christmas period. Staff in front line services who were required to work at Christmas took leave at alternative times.

3.2 A consultative ballot by the unions of their membership was held on this proposal and the response was that they did not support the proposals.

3.3 However as this left the Council with a shortfall of £800,000 to balance the budget, the decision was taken to approach staff directly with the proposal for them to voluntarily agree to a change to their terms and conditions. If staff did not agree the Council would be left with no option other than to dismiss those who did not agree to vary their contract and offer re-engagement on the revised terms and conditions.

3.4 3,000 letters were issued and every employee voluntarily accepted the revised terms.

3.5 The four days unpaid leave was a time bound arrangement which will come to an end on 31st March 2015.,

3.6 Given the continuing squeeze on local government funding by central government, discussions have been on-going with the trade unions regarding changes to a number of terms and conditions, including both a continuation of the four days unpaid leave (for a further 3 years) and

a move to HMRC mileage rates for all staff who claim car mileage. This is a flat rate of 45p per mile.

- 3.7 As part of the negotiations this year, the unions were informed that if they were minded to seek the views of their membership to provide them with a mandate to enter into a local agreement, then only two items of the items under consideration (four days unpaid leave and mileage rates at HMRC rates) were being considered for implementation in the financial year 2015/16.
- 3.8 If the proposal, in respect of four days unpaid leave and mileage rates at HMRC rates is accepted by the unions, and if a “yes” vote by those in union membership followed, it would apply to all employees whether they were in a union or not, through collective bargaining arrangements.
- 3.9 Further discussions were then undertaken with the trade unions setting out the business need for the changes, the scope of the agreement i.e. four days unpaid leave (for a period of three years) and a permanent move to 45p per mile for all car user etc. The savings from these proposals as a package are in the region of £800,000. Therefore if these changes were not achieved, savings would need to be identified elsewhere in the Council's budget for 2015/16, possibly leading to additional job losses and a further risk to other terms and conditions
- 3.10 GMB and MPO balloted their membership on the 3rd December 2014 on the proposals, the result was to accept both proposals.
- 3.11 Further discussions were held with Unison locally, and following these discussions their Regional office agreed to a consultative ballot on a one year arrangement for the four days unpaid leave along with a permanent move to HMRC mileage rates. Workplace meetings were held and the results of those ballots were to accept both proposals, but on the basis of a one year extension of the four days unpaid leave, rather than a three year extension.

4.0 Current Position

- 4.1 As both unions have now agreed to enter into a local agreement for at least one year on unpaid leave, it is recommended that it would be appropriate to
- implement a 12 month extension of the existing arrangement with regard to the unpaid leave; and
 - implement a permanent change to HMRC rates for all employees who claim mileage.
- 4.2 If it is decided to continue the arrangement regarding unpaid leave next year and the year after then GMB and MPO have a clear mandate to

extend the agreement. Negotiations with Unison would need to be undertaken again in such a case.

5.0 POLICY IMPLICATIONS

5.1 The move to HMRC mileage sees a move away from the National Joint Council mileage rates and the Council will now link all mileage to the recommended HMRC rates on-going.

6.0 OTHER IMPLICATIONS

6.1 There are financial implications involved in these recommendations as they are estimated to contribute £800,000 in savings to the Council in the next financial year.

7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

7.1 Children and Young People in Halton

There are no implications for children and young people.

8.0 Employment, Learning and Skills in Halton

8.1 There are no implications for employment learning and skills.

9.0 A Healthy Halton

9.1 There are no health implications.

10.0 A Safer Halton

10.1 There are no safer Halton implications.

11.0 Halton's Urban Renewal

11.1 There are no urban renewal implications.

12.0 RISK ANALYSIS

12.1 Employees may decide to seek employment elsewhere as they see this as an erosion of the terms and conditions of service.

13.0 EQUALITY AND DIVERSITY ISSUES

13.1 Human Resources processes must be applied consistently and fairly to ensure that unlawful discrimination does not occur. To reduce these risks, Human Resources procedures have been robustly tested over time and have been subject to extensive consultation to reach agreement with trade union colleagues.

13.2 Equality Impact Assessment has been undertaken on the Protocol.

14.1 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.