

**REPORT OF SERVICE DIRECTOR - CUSTOMERS, GOVERNANCE AND
EMPLOYEES****UPDATE ON CHANGES TO EMPLOYEES' TERMS AND CONDITIONS****Purpose of the Report**

1. To provide Members with an update on the final position reached following extensive negotiations on the changes to employee terms and conditions with the nominated negotiating representatives of the recognised Trades Unions.

Information

2. The Chief Executive wrote to all employees in March and April 2018 and then again on 5 February 2019. In these letters, he outlined the reasons for the need to make savings from the employment package and updated on progress of the negotiations.
3. The proposals were developed using some guiding principles, including the need to:
 - Save a minimum of £1 million in the Council's revenue budget
 - Reduce future staffing costs
 - Increase efficiency and outputs
 - Retain a good overall package to enable the Council to continue to attract and retain the best people
 - Minimise the impact on take home pay.
4. Following dialogue with trades union colleagues, an undertaking was given that if this could be achieved, there would be no further changes to terms and conditions for the lifetime of the current Administration. This is a significant commitment given the ongoing financial pressures this and many other Councils continue to face.
5. The initial revised proposals were rejected by the workforce following an indicative ballot by the recognised trades unions. This ballot also sought the views and comments from employees. The decision was taken to pause the negotiations and consider the feedback received before going back to illicit further information to understand why people had rejected the proposals

even though specific care had been given to formulating a set of proposals which tried to minimise impact on take home pay.

6. In addition to the information provided by the Chief Executive's letters, the Council received feedback from a number of sources. This included the indicative ballot held by the recognised trades unions, the comments received into a dedicated email account, through managers and the feedback from a series of Employee Focus Groups, led by the Chief Executive. Over 10% of the workforce chose to provide their feedback which is a significant sample for an organisation of our size. Clearly there were differing impacts on employees depending on their length of service, age and what jobs they were undertaking.
7. The feedback provided an invaluable insight into what employees were thinking and provided a very clear indication of how proud people were to work for Nottinghamshire County Council, and in the main, it is viewed as a good place to work. During the next twelve months, the Chief Executive and the Corporate Leadership Team intend to take more opportunities to meet the workforce, listen to their views and involve employees more in the change and transformation of the Council to improve outcomes for local residents.
8. The impact on different groups of employees is reflected in the Equality Impact Assessment which has been completed as part of considering and developing the proposals and the completion of this report.
9. Further changes were made to the revised package of terms and conditions which in effect altered the redundancy package, changed the duration of pay protection from two to one year and removed the legacy entitlement to additional annual leave in certain service areas. In addition the proposals included a commitment to introduce an annual leave buyback scheme and to continue to work with our partner Timewise to maximise the benefits of flexible working.
10. The recognised trades unions balloted their membership and on the basis of that outcome we have now reached a signed collective agreement on the changed package, effective from 1 April 2019, with the commitment that there will be no further changes for the life of the current Administration.
11. Although it did not form part of the local negotiations on terms and conditions, it is worth noting that the Council implemented the nationally determined pay settlement in full which included all employees covered by the NJC agreement effective from 1st April 2019. This resulted in an increase to all included employees basic salary. It was considered important to include this information to demonstrate that this Council's employees are one of our most important assets which is reflected in our terms and conditions of employment. When considered in the round, the Council's overall employment package remains one of the best in local government.

Other Options Considered

12. Every option was considered in determining the package of revised terms and conditions but the final offer came closest to meeting the guiding principles outlined in paragraph 3 and reflected feedback from trades union colleagues and employees.

Reasons for Recommendations

13. The overarching driver was to make the required saving whilst retaining terms and conditions sufficiently attractive to enable the Council to attract and retain high calibre employees. Further work is required to complete the commitments in terms of introducing the annual leave buyback scheme and the review of flexible working to maximise the benefits to the organisation and individuals.

Statutory and Policy Implications

14. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Data Protection and Information Governance Implications

15. There is no personal information about named individuals contained within the body of the report.

Financial Implications

16. The financial implications are contained within the body of the report. The Council is required to make ongoing savings to enable it to continue to deliver quality services to the people of Nottinghamshire. The range of measures now part of the collective agreement enables a saving of £1 million to be made which will improve overall efficiency and protect employment in the longer term.

Human Resources Implications

17. The Council engaged in extensive negotiations with the nominated representatives of the recognised trades unions to arrive at a position where the proposals form part of a collective agreement. The views of employees who chose to respond to various letters about the proposals, or attended one of the employee focus groups, were actively considered in shaping the final set of proposals. Where individual groups of staff were adversely impacted around the time of implementation, issues have been worked through on an individual basis. At the most recent regular meeting between trades union representatives and the Chief Executive, they provided very positive feedback on the level and style of engagement with the entire workforce.

Public Sector Equality Duty implications

18. The revised package of terms and conditions has been the subject of an equality impact assessment. The changes are to be universally applied to all employees and therefore there is no particular group adversely impacted as a result of the changes. The developing work on flexible working will benefit a range of employees including those with caring responsibilities and assist those managing long term health conditions or a disability.

Smarter Working Implications

19. The ongoing review of flexible working will continue under the overarching programmes of work around Smarter Working (Phase 2) and Digital Development.

RECOMMENDATIONS

It is recommended that Members agree:

- 1) To receive the updated position on the negotiations around changes to terms and conditions.
- 2) To approve the outstanding actions to continue around the introduction of the annual leave buyback scheme and review of flexible working.

Marjorie Toward
Service Director – Customers, Governance and Employees
Chief Executive’s Department

For any enquiries about this report please contact:

Gill Elder – Group Manager HR, Workforce and Organisational Development on 0115 9773867
or gill.elder@nottsc.gov.uk

Constitutional Comments (KK 02/05/19)

20. The proposals in this report are within the remit of the Personnel Committee.

Financial Comments (RWK 08/05/19)

21. The measures detailed in the report will reduce the revenue budget in 2019/20 and future years by £1 million. The saving in 2019/20 will be £750,000 with savings of £125,000 in both 2020/21 and 2021/22.

HR Comments (GME 17/04/19)

22. The employment implications are included in the body of the report. In arriving at this position, the Council has utilised its agreed consultation and collective bargaining processes. Employees have been invited and accepted the opportunity to comment on the proposals and through this engagement, the package was further revised over time to reflect the views received as part of these processes.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Terms and Conditions Equality Impact Assessment

Electoral Division(s) and Member(s) Affected

- All