

**REPORT OF SERVICE DIRECTOR – CUSTOMERS AND HUMAN
RESOURCES****UPDATE ON PROPOSED CHANGES TO TERMS AND CONDITIONS****Purpose of the Report**

1. The purpose of the report is to update Members on the negotiation of a revised package of terms and conditions with the recognised trades unions and to seek support for actions in response to feedback from employees as part of a consultative ballot.

Information

2. The Council continues to face significant financial challenges as set out in the medium Term Financial Strategy and Budget approved by full Council on 28th February 2018.
3. As part of the budget setting process a wide range of savings proposals were considered across the whole Council to close the identified funding gap of £54m. This includes identifying possible savings of £1m from a revised package of terms and conditions for Council employees.
4. A wide range of different potential changes to terms and conditions of employment were initially considered by officers; a number of which would have had a significant detrimental impact on particular groups of employees. Many of these options were not progressed for further discussion and negotiation with trades union colleagues as officers sought to minimise the negative impact on employees.
5. A package of proposals for initial discussions with the agreed representatives of the recognised trades unions was developed in order to deliver £1m savings, improved productivity and reduced future costs. In developing this package the Council sought to minimise the negative impact on take home pay for its employees and to retain a competitive overall employment package which would enable the Council to remain an employer of choice and to recruit and retain staff.
6. Discussions took place with trades union colleagues earlier in the year with a view to trying to reach a collective agreement on a revised package of terms and conditions. The changes proposed included:
 - A reduction of one day's annual leave for all employees.
 - Removal of the protection arrangements for approximately 600 staff in specific staff groups still in receipt of an additional five or six days leave. New staff appointed in these areas have not received this additional leave since April 2010.

- The option for employees to buy-back up to an additional 5 days leave per annum.
 - A review of flexible working provisions with a view to becoming a Timewise accredited employer modelling best practice in relation to flexible working.
 - Retention of the current salary protection scheme with a reduction in the period of protection offered from two years to one year.
 - A revised redundancy package.
7. As part of these negotiations trades union representatives sought confirmation that if an agreement was reached there would be no further changes to terms and conditions of employment during the period of the current administration. A commitment was made by the Council that if a package was agreed there would be no further changes until after May 2021 at the earliest.
 8. Trades union representatives also sought assurances around future potential redundancies. In the current financial climate the Council is unable to give an unconditional assurance that there will be no redundancies in the future. However, it has reiterated its commitment to mitigating the need for redundancies and to actively consider redeployment and retraining wherever possible. The Council also agreed to the request of the trades unions to delay implementing any proposed changes to the Council's Redundancy package, if agreed, for existing staff until April 2019.
 9. Trades union colleagues also raised concerns in relation to potential future outsourcing of services. As part of the budget debate at full Council Members of the current administration indicated their willingness to create new jobs where this would improve outcomes for service users and help the Council to be more efficient. They also affirmed their agreed approach to investigating options for keeping a range of services in-house where financially viable.
 10. Following the negotiations, trades union colleagues sought the views of their members on the proposed package of terms and conditions through a consultative ballot. This closed on 6th April and over the following weeks officers and trades union representatives met to discuss the results and feedback from employees.
 11. Non-union members and trades union members were able to make comments, ask questions, provide feedback or raise issues direct with their managers, HR colleagues and through a dedicated email address. A range of Frequently Asked Questions were provided to make sure that employees understood the detail of the proposals and were able to assess the potential impact.
 12. Across all the trades unions involved, around 90% of those who responded rejected the proposed package. Whilst a relatively small number of trades union members responded to the ballot, the results were clear. Trades union colleagues have reported that the response rate for the ballot was around 30% which in their experience was a good turnout for an indicative or consultative ballot.
 13. Trades union colleagues were also able to provide officers with a range of comments and feedback from trades union members on the proposals which they had received through the ballot but also from a number of staff meetings held across the County. These also generated a wide variety of comments and background information on how employees were feeling about working for the Council. These were also reflected in the response from non-union members.

14. Following further discussions with trades union representatives a range of possible actions were identified in response to the broader comments made by employees and also comments on the specific proposals and suggestions of other areas for consideration.

Next steps

15. It is important that the Council listens carefully to; understands the background to the comments made by employees and takes appropriate steps to respond to the issues raised during the consultation process. It is proposed to do this initially through a series of employee workshops led by the Chief Executive where employees' ideas and suggestions will be sought and used to inform future actions.
16. Further work will be undertaken to review all the options for possible changes to terms and conditions. This will include considering in more detail the suggestions made by employees. More detailed assessment of the potential impact of any possible changes will be undertaken and discussed further with trades union representatives. The outcome of these discussions will be used to inform the development of a further package of proposals for employees to consider over the summer.
17. An initial scoping meeting has taken place with Timewise to begin to look at different approaches and best practice in relation to flexible working. Timewise are an award-winning social business that provides consultancy across the public and private sector to help identify, encourage adoption of and share best practice on flexible working. Timewise work in partnership with the Local Government Association to deliver the Timewise Council programme. Engagement with this programme would enable the Council to become part of a growing network of local authorities taking a leadership role on flexible and agile working and help ensure that the Council has the workforce it needs now and for the future.
18. This initial activity will enable the Council to develop an action plan to become a Timewise accredited employer. It is proposed that employees are involved in this work through focus groups, briefing events and existing team meetings to ensure that any proposals to change flexible working practices are tailored to meet the specific needs of individual service areas. A further more detailed report will be brought back to Personnel Committee for approval of the action plan as this is developed.
19. It was originally hoped that the new package of measures would be developed, agreed and implemented by 1st April 2018. The Council had already agreed to delay implementing some of the proposed changes for existing staff, if agreed, until 2019. Taking time to pause, listen and involve staff in developing the next phase of proposals will inevitably delay implementation of any changes but it is important that employees have the opportunity to share their views and contribute to the work. It is hoped to be able to put a further package of terms and conditions to employees over the summer for consideration by employees.

Other Options Considered

20. A wide range of options were considered in developing the proposed package of revised terms and conditions. Some of the options considered could have potentially delivered a higher level of savings but would have had a more significant detrimental impact on employees of the Council. The package put forward to staff as part of the consultative ballot,

following discussion with trades union representatives, was selected by officers as delivering the required level of savings whilst minimising the direct impact on employees' take home pay. Further more detailed work will now be undertaken to consider the impact of a range of possible options, including those suggested by employees.

Reasons for Recommendations

21. To put forward a package of changes to terms and conditions of employment for Council employees to contribute £1m of savings to the overall savings proposals to achieve £54m savings over the next three years; to improve productivity and reduce future costs.

Statutory and Policy Implications

22. 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

23. Individual, confidential and sensitive employee data will not be shared as part of the process of considering the impact of potential proposals. Any data will be anonymised and utilised at a group level so that the impacts on a wider cohort of employees can be considered. Discussions will take place in a confidential setting with the agreed trades union negotiating team who have agreed to a strict protocol around confidentiality of information. Workshops involving employees will not involve the use of individual employee data. A Data Privacy Impact Assessment will be completed before the next phase of work is undertaken.

Financial Implications

24. The proposals are required to deliver £1m savings to contribute to closing the overall funding gap of £54m identified within the Council's Medium Term Financial Strategy.

Human Resources Implications

25. These are set out in the body of the report including the engagement of employees and trades union colleagues. Discussions have taken place with trades union colleagues through the negotiating team and Central Joint Consultative and Negotiating Panel updated as to progress and next steps.

Public Sector Equality Duty implications

26. An Equality Impact Assessment has been undertaken for the initial package of proposals. As set out in the report, further more detailed work will now be undertaken with employees and trades union representatives to consider the potential impact of specific proposals in more detail.

Smarter Working Implications

27. Colleagues from the Smarter Working Programme are involved in the work with Timewise to ensure that the Council is considering the widest possible range of flexible working opportunities and that key strands of activity are aligned to deliver the best outcomes for both employees and service delivery. Both programmes of work require cultural change across the Council.

Implications for Service Users

28. The proposed changes to terms and conditions of employment for employees would deliver savings, improve productivity and reduce future costs which could lead to more money being available for front line critical services. If staff are not engaged with developing the proposals and feel demotivated and devalued by the proposed changes this is likely to impact negatively on service delivery. Therefore it is important to take time to review the proposals and their potential impact on staff in more detail and to involve employees in this work; listen to and understand their concerns and use this information to shape any future proposals.

RECOMMENDATIONS

It is recommended that Members:

- 1) Support the proposed actions set out in the body of the report to involve employees and trades union colleagues in considering potential future options in relation to changes to terms and conditions of employment and workshops to gather further views and information from employees and respond to the issues raised.
- 2) Receive an update report once a further package of proposals has been developed and an action plan to achieve Timewise accreditation for approval.

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Constitutional Comments (KK 10/05/18)

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

Financial Comments (SES 11/05/18)

30. The financial implications are set out in the report.

Human Resources Comments (GE 11/5/18)

31. These are set out in the body of the report and reflect the Council's approach to effective engagement and consultation with the recognised trades unions and employees.

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.

- Correspondence to staff setting the context for discussions with trades union colleagues; outlining the revised package of terms and conditions proposals and confirming the outcome of the ballot and next steps.

Electoral Division(s) and Member(s) Affected

- All