

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting20th January 2011

1. Title of Item/Report

Terms and Conditions of Employment

2. Record of the Decision

Reference was made to the Council's financial position and the identified budget gap, rising to £9,489 million in 2014/15. The Council was continuing to explore ways of reducing the gap, including potential partnering opportunities. However, there were also some terms and conditions of employment with the potential for review, which could contribute positively to the position.

Redundancy pay, under the Council's current scheme applied a multiplier of 2.2 against the statutory scheme for each completed year of service at actual pay up to a maximum of 66 weeks. This was one of the most generous compared with other local authorities in the region.

Members were provided with an example, which detailed what redundancy costs would be, based on the Council's current calculator, and the potential savings, should the calculator be reduced.

It was noted that the Council was seeking expressions of interest within Efficiency Improvement and Transformation reviews for volunteers for redundancy and it was accepted that a changed scheme may limit its attractiveness, however, this had to be balanced against the costs of the current scheme and the impact this had on jobs.

Members noted that the Council paid overtime at a rate of time and a half for all hours worked in excess of 37 hours per week. During the previous year £428,536 had been paid in enhanced overtime (excluding schools) so removal of the enhancement would realise savings of around £142,845. Although it was considered that it would be useful to retain some flexibility within the scheme to ensure cover was maintained in some critical areas Removal of the premium would also bring the Council into line with other Tees Valley Authorities as well as providing a long term and ongoing saving to the Authority.

It was proposed that consultations be opened with the Trade Unions with

the aim of reducing the redundancy multiplier and removing the enhancement on overtime. It was noted that any changes to the redundancy scheme were not likely to take place until September 2011.

A further report would be brought to Cabinet on 17 March on the progress being made.

Cabinet noted two other areas of significant spending in terms of employee costs; salaries and occupational sick pay. In terms of salary costs, the national pay bargaining position was not yet known following a series of road shows undertaken by the Employers Organisation in December. The position was that there had been a 2 year pay freeze in respect of Chief Officers and 1 year for other employees and the clear message from the North East Region was that there should be a further pay freeze for 2011/12. It was therefore suggested that the Council's position be kept under review pending the outcome of the national negotiations.

In terms of occupational sick pay, although absence levels continued to fall, the annual cost was still considerable. There were a number of alternatives, which could be considered to reduce this cost and it was therefore proposed that the current scheme be reviewed to develop a more flexible and innovative model, which would reduce costs whilst rewarding those employees with good levels of attendance.

Prior to taking a decision on this matter non executive members, union officials and staff were able to comment and make representations. Union officials urged Cabinet to consider the negative effects any cuts to redundancy payments would have on staff and asked that payments remain at existing levels.

RESOLVED that:

1. consultations take place with the recognised Trade Unions, with a view to amending the current Redundancy Policy and Policy in respect of Overtime Payments.

2. the position relating to Occupational Sick Pay and salary levels be kept under review.

3. Reasons for the Decision

To seek Members agreement to enter into consultation with Unions on potential changes to employee's terms and conditions of employment.

4. Alternative Options Considered and Rejected
None
5. Declared (Cabinet Member) Conflicts of Interest
None
6. Details of any Dispensations
Not applicable
7. Date and Time by which Call In must be executed
Midnight on 28 January 2011

Proper Officer
25 January 2011