

# REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	19 July 2012
<b>Subject:</b>	<b>INFORMATION REPORT -</b> Modernising Terms and Conditions of Employment
<b>Key Decision:</b>	No
<b>Responsible Officer:</b>	Jon Turner, Divisional Director of Human Resources, Development and Shared Services
<b>Portfolio Holder:</b>	Cllr Graham Henson, Portfolio Holder for Corporate Services, Performance and Customer Services
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	No
<b>Enclosures:</b>	Consultation document Staff feedback from consultation

## **Section 1 – Summary and Recommendations**

This report sets out progress in modernising the terms and conditions of employment for Council non-teaching employees as considered by Cabinet at its meeting on 19 January 2012.

**Recommendations:**

Cabinet is requested to note the report.

## **Section 2 – Report**

At its meeting on 19 January 2012, Cabinet noted that it had not been possible to reach a collective agreement with the non-teaching unions on the modernising approach to terms and conditions of employment.

In order to enable the modernisation of terms of conditions of employment for Council non-teaching employees and deliver the savings required in the Medium Term Financial Strategy 2012/13, Cabinet resolved that the Chief Executive, in consultation with the Leader and Portfolio Holder be authorised to:

1. Develop a proposition which meets the needs of the Council on which to consult non-teaching staff;
2. Consult directly with non-teaching staff and if appropriate:
  - to modify that proposition in the light of consultation;
  - to undertake a ballot of non-teaching staff on the final proposition; and
  - to take action as necessary to implement new terms and conditions of employment for non-teaching staff.

### **Introductory paragraph**

Following Cabinet's resolution in January 2012, the proposals for modernising terms and conditions of employment that had been discussed with the unions were reviewed in preparation for consulting directly with non-teaching staff and for the formal consultation (as the proposals had changed) with the unions. A consultation document (enclosed) was prepared and sent to all Council employed non-teaching staff in directorates and schools on 13 April 2012.

A series of staff consultation meetings took place as set out at page 7 of the consultation document, including at those schools who took up the offer of a staff consultation meeting. Additional consultation meetings were also held for particular staff groups (residential workers and catering staff).

In total 29 consultation meetings took place, attended by approximately 700 staff and 1129 consultation questionnaires were returned by 14 May 2012, the closing date for the initial consultation.

A summary of the feedback from staff is enclosed at appendix 2 and is presented in a format that separates the views of schools' support staff and directorate staff and the views of those affected by the proposals and those who were not.

Additionally, consultation meetings took place with schools' Head teachers on 24 May and with Chairs of Governors on 13 June 2012.

The views and feedback received through the consultation process have been carefully reviewed and been the subject of discussions with the recognised non-teaching unions – GMB and Unison.

Those meetings have proved constructive and significant progress has been made towards a potential collective agreement. To the extent that on 10 July 2012, an 'in principle' agreement had been reached with the local branches of GMB and Unison who subsequently submitted the terms of that agreement to their regional offices for confirmation and approval to ballot their members.

On 16 July 2012, the statutory obligations on the Council to formally consult with the unions ended. At the time of writing, confirmation of the 'in principle' agreement had been received from GMB and we are awaiting confirmation of an agreement 'in principle' from Unison regional office. A verbal update can be provided on this at Cabinet's meeting.

Significant progress in reaching an 'in principle' agreement was only made towards the end of June 2012 and it was therefore not possible for the unions to ballot their members and for the outcome to be known by 16 July 2012. Owing to the progress that has been made it has been agreed that the deadline for a response from the unions, following the ballot of their members, be extended to 10 August 2012.

The prospect of a collective agreement being reached brings significant benefits:

- i. The process by which an 'in principle' agreement on the proposed changes to terms and conditions was reached has involved extensive consultation with staff, Head teachers, Chairs of Governors, managers and the unions.
- ii. The feedback and views received through the consultation process resulted in modifications to the Council's proposals, which shaped the local agreement.
- iii. Joint consideration of the feedback, with the trade unions, was a constructive process and as a consequence the 'in principle' agreement is a better outcome for the Council and for staff
- iv. A collective agreement enables the Council to vary the contracts of all those affected without the need to terminate employment contracts and offer re-engagement on varied terms.
- v. Governing Bodies will not be required to make decisions on termination in order that the Council can offer re-engagement.

If there is still no collective agreement by 10 August, 2012, the Chief Executive, in consultation with the Leader and Portfolio Holder will take forward Cabinet's resolution. This may include a ballot of the workforce on

the final proposals for change and thereafter to take action to implement variations to terms and conditions of employment. For schools support staff, this will require Governing Bodies to make a decision whether to terminate employment contracts in order that new contracts can be offered on varied terms and conditions.

Implementation is planned to take effect on 1 January 2013, though some of the proposals have later implementation dates.

## **Options considered**

None

## **Financial Implications**

The financial implications will be dependent on the outcome of the formal consultation with the non-teaching unions as there is a likelihood that the proposals on which the Council consulted will change.

The Medium Term Financial Strategy (MTFS) requires savings of £300,000 net in 2012/13 and £530,000 net in 2013/14.

The changes may impact on the recruitment and retention of workers with shortage skills, it is estimated that mitigating this impact with market supplements will cost in the region of £50,000, which has been allowed for within the MTFS.

If changes to terms and conditions of employment are implemented, there will be SAP configuration costs which, dependant upon the final changes, are estimated to be at least £75,000. This has been identified in the capital programme.

## **Legal comments**

If the council reaches agreement with the trade unions to vary the terms and conditions of non teaching staff and the agreement is incorporated into individual contracts of employment, then the legal risk to the council of unfair dismissal and equal pay claims is minimised. Failure to reach agreement means that the risks identified in the report to Cabinet on 19 January 2012 are still a possibility.

## **Performance issues**

The project to modernise terms and conditions of employment will ensure that they best support future requirements of the council and support improvements to service delivery. There are no specific performance indicators affected by the project excepting that service delivery may be affected if there are recruitment and retention difficulties in shortage skills areas. The cost of mitigating that impact is set out in the financial implications above.

## **Environmental Impact**

There are no environmental impacts directly related to this project.

## **Risk Management Implications**

Key risks have been that there will be a failure to agree with the unions; a failure to communicate clearly and in a timely manner with the workforce and stakeholders; failing to sufficiently consider and address equalities impacts. Additional risks are identified under the Legal Comments above.

Risk included on Directorate risk register? No

Separate risk register in place? Yes, high level risks are identified within the Project Initiation Document,

## **Corporate Priorities**

If the modernizing proposals are implemented, the project will support the future requirements of the council and will therefore better enable delivery of the Council's priorities.

## **Equalities implications**

Was an Equality Impact Assessment carried out? Yes – this is being reviewed in consultation with the unions.

The 'in-principle' agreement was developed taking due cognisance of the range of equalities considerations and potential impacts that were summarised within the Cabinet report in January 2012.

### **Section 3 - Statutory Officer Clearance**

Name: Steve Tingle

on behalf of the  
Chief Financial Officer

Date: 18 July 2012

Name: Linda Cohen

On behalf of the  
Monitoring Officer

Date: 19 July 2012

### **Section 4 – Performance Officer Clearance**

Name: Alex Dewsnap

Divisional Director  
Partnership,  
Development and  
Performance

Date: 18 July 2012

### **Section 5 – Environmental Impact Officer Clearance**

Name: John Edwards

Divisional Director  
(Environmental  
Services)

Date: 19 July 2012

### **Section 6 - Contact Details and Background Papers**

**Contact:** Lesley Clarke, Organisational Development Manager, 0208 420 9309

**Background Papers:** Minute 351 of 19 January 2012 Cabinet meeting:  
<http://moderngov:8080/ieListDocuments.aspx?CId=249&MIId=60644&Ver=4>