

PERSONNEL COMMITTEE

30 September 2010

EMPLOYMENT TERMS AND CONDITIONS INFORMAL GROUP-
RECOMMENDATIONS

REPORT OF THE CHAIRMAN OF PERSONNEL COMMITTEE

Contact Officer: Alison Gavin Tel No: 01962 848233 agavin@winchester.gov.uk

RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

Personnel Committee, at its meeting held on 22 February 2010, appointed an Informal Working Group to consider matters related to sickness absence management at the Council, including employment terms and conditions and related matters. The Group was reappointed for the 2010/11 Municipal Year with the following membership: Councillors Achwal, Cook, Gemmell, Higgins and Sanders. The Group met on three occasions, on 17 July 2010, 10 September 2010 and on 23 September 2010.

This Report summarises the investigations of the Group and sets out its recommendations for the consideration of the Committee.

RECOMMENDATIONS:

1. That no action be taken at this time to alter employment terms and conditions for current employees of the Council.
2. That the format for the reporting of sickness absence figures to the Personnel Committee continue to separate short term and long term absence and also specify those reasons for long term absence that the Council may be able to impact through its occupational health procedures and sickness absence policies.

- 3 That officers be thanked for the presentation of evidence, advice and comment during the Informal Group process and note with satisfaction the revised methods of control currently being utilised to monitor and control sickness absence.
- 4 That managers be encouraged to take a pro-active approach to managing sickness and absence, and in particular take measures which are best suited to their own services.
- 5 That Staff Employment Terms and Conditions, specifically the discretionary elements and in particular redundancy payments, be reviewed during the 2011/12 Municipal Year, after the current phase of organisational change and when the long term economic situation of the Council is known.

PERSONNEL COMMITTEE

30 September 2010

EMPLOYMENT TERMS AND CONDITIONS INFORMAL GROUP- RECOMMENDATIONS

REPORT OF HEAD OF ORGANISATIONAL DEVELOPMENT

DETAIL:

1 Introduction

- 1.1 This Report summarises the investigations of the Group and sets of its recommendations for the consideration of the Committee.
- 1.2 The Group was originally established due to the concerns of the Committee of the level of sickness absence amongst Council employees, in comparison to the private sector. The Group's remit was expanded to include the consideration of other related matters. Its terms and conditions were agreed at its first meeting held on 13 July 2010, as follows:

‘To consider the Terms and Conditions of Employment for City Council staff, and in particular;

- When and how local discretion is utilised;
- The impact of Terms and Conditions on recruitment and retention;
- The approach taken to manage sickness and absence;

and to make any recommendations as necessary to Personnel Committee and / or to Cabinet’

2 Meeting held 13 July 2010

- 2.1 The Group received evidence from the Simon Eden, Chief Executive who drew attention to the Will Hutton Review into pay and conditions in public service and the John Hutton Review reviewing public sector pensions. It was likely that both reviews would take approximately a year to conclude their work and that their recommendations could result in legislative changes.
- 2.3 The Group also received a presentation from Jennifer McNeill (Regional Director, South East Employers). She explained that approximately 33 out of the 74 Councils within the South East Employers' area used local agreements to determine pay and conditions. However, the majority of Councils had opted out of national agreements because it enabled them to pay their staff more than they would otherwise have been able to through the national agreements. Local agreements also better suited budget cycles, as national agreements were often a long drawn-out process, during which Unions were

able to submit Freedom of Information Requests, to ascertain the reserves Councils had established to cover possible pay increases.

- 2.4 Ms McNeill explained that the Local Government Act informed conditions of service through the Green Book and the Scheme for Chief Officers and Chief Executives. Within the guidance, there was some scope for local flexibility. For example, although the spinal pay points were set nationally, each authority could decide their own salary scales, subject to legal constraints regarding gender/race discrimination etc. The positioning of posts to spinal points could therefore reflect local market conditions and South East Employers undertook annual pay-rate surveys to provide authorities with benchmarking comparisons.
- 2.5 Alison Gavin (Head of Organisational Development) explained to the Group the Council's existing Employment Terms and Conditions. The Group discussed a number of discretionary elements which included the Council's Severance Policy, staff Car Parking costs, lease car policy and incremental salary scales.
- 2.6 The Group discussed the Council's Policy for the Management of Sickness Absence and measures therein utilised by managers. Sickness payment was in accordance with the Green Book, and the policy enabled the Council to be proactive and take action where necessary. The Group was concerned at apparent high incidences of long term sickness absence at the Council and asked that Heads of Teams be asked to attend its next meeting to explain sick leave and its management within their sections.

3 Meeting held 10 September 2010

- 3.1 Steve Tong (Housing Services Manager) and Paul Wood (Customer Services Manager) described how they managed sickness absence within their teams. The Group noted that much proactive work was undertaken by managers with regard to this issue.
- 3.2 The Group discussed sickness absence comparator figures for 2009/10 for some Hampshire local authorities. It was noted that overall figures (especially for Winchester) were skewed by the inclusion on long term absence figures. There were also other background considerations, including age profiles and size of organisation etc.
- 3.3 The Group also referred to Redundancy Payment comparator figures. Members were reminded that Winchester continued to offer above the statutory maximum in redundancy payments (as agreed by Personnel Committee held 20 June 2007 – Report PER121 refers). Payments were made in the lower quartile when compared with other Councils for whom data was available. The Council sought to manage redundancies so that they had minimal impact on the business and the approach fair to the individual.
- 3.4 A representative from UNISON also attended the meeting and referred to the Council's policies related to sickness absence management. In his view, the

current pressures on the Council's finances and uncertainty surrounding the likelihood of compulsory redundancies and that therefore now was probably not the time to revisit terms and conditions.

4 Summary

- 4.1 The establishment of the Informal Group was prompted by Members' concerns about the level of sickness absence amongst Council employees, in comparison with the private sector. Therefore, a significant amount of time was devoted to establishing the accuracy of the figures, the comparison with other local authorities and to satisfying Members that current management arrangements were as efficient as possible.
- 4.2 An additional factor which arose during the deliberations of the Group was the need to make staff redundancies in order to make operational cost savings, during the current period of national and local authority economies. Hence, the Group work became particularly important in establishing what could be achieved, given employment legislation, legal agreements and having regard to the operational efficiency of the Council.
- 4.3 Having heard evidence from officers, the representative from South East Employers (SEEMP) and advice from a Union representative, the Group concluded the following:
- At the present time, there was limited scope to make cost savings from within the discretionary elements of the employment conditions, or
 - From improved sickness absence controls
- 4.4 In addition, the Group concluded that the Winchester City Council Terms and Conditions of employment relating to sickness absence and redundancy payments were not out of line with other comparable local authorities.
- 4.5 The Group accepted the advice of the Chief Executive and the Head of Organisational Development that it may be counter productive to reduce the severance arrangements for employees of the Council, at a time when a significant redundancy situation was in place. The Group was advised that to do so might reduce the number of officers who might volunteer for redundancy and during a critical time of consultation and negotiation and might make the overall conduct of the process more difficult, and possibly open to challenge. This would make it more difficult to meet required targets, both in budgetary targets and operational efficiency.
- 4.6 One important element of the staff conditions of employment that concerned some members of the Group was the cost of parking provided for employees (over £260,000 pa). Members were informed that this facility had been provided for many years and many employees live outside of Winchester. The Group was advised that a free parking facility was considered a valuable recruitment and retention tool. A proportion of staff park at the Park and Ride

sites including all new starters unless like other staff who need to utilise their cars for their work and are regularly required to return to their office base, they park closer within the town centre car parks. The Group accepted the advice from officers, that this facility should not be reviewed at this current time.

- 4.7 Finally it was agreed that the discretionary elements of the Employment Terms and Conditions be kept under review by the Personnel Committee, or possibly by a reconvened Informal Group, at a later date within the next municipal year. By this stage it was expected that the current economic climate would become clearer and more information on the national employment situation and approaches taken by other local authorities was likely to be available.

5 Recommendations

- 5.1 That no action be taken at this time to alter employment terms and conditions for current employees of the Council.
- 5.2 That the format for the reporting of sickness absence figures to the Personnel Committee continue to separate short term and long term absence and also specify those reasons for long term absence that the Council may be able to impact through its occupational health procedures and sickness absence policies.
- 5.3 That officers be thanked for the presentation of evidence, advice and comment during the Informal Group process and note with satisfaction the revised methods of control currently being utilised to monitor and control sickness absence.
- 5.4 That managers be encouraged to take a pro-active approach to managing sickness and absence, and in particular take measures which are best suited to their own services.
- 5.5 That Staff Employment Terms and Conditions, specifically the discretionary elements and in particular redundancy payments, be reviewed during the 2011/12 Municipal Year, after the current phase of organisational change and when the long term economic situation of the Council is known.

OTHER CONSIDERATIONS:

6 SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE BUSINESS PLAN (RELEVANCE TO):

- 6.1 The 2007-2012 Corporate Strategy identifies as one of its themes making Winchester "An efficient and effective Council" that "will be recognised as a Council which:
- provides community leadership
 - offers excellent customer service in our local communities
 - is efficient

- adopts sustainable working practices
- works well with others”

7 RESOURCE IMPLICATIONS:

7.1 The recommended review of discretionary elements of redundancy provision may in due course make recommendations which have financial implications

8. RISK MANAGEMENT ISSUES

None at present.

BACKGROUND DOCUMENTS:

Held in the Organisational Development Division

APPENDICES:

None