

By: Gary Cooke – Cabinet Member for Corporate & Democratic Services
Amanda Beer – Corporate Director Human Resources

To: Policy & Resources Cabinet Committee

Date: 6 December 2013

Subject: **Update on Terms & Conditions Review**

Classification: Unrestricted

Summary: This paper gives an overview of the Terms and Conditions review to date.

1. **Background**

1.1 As part of the pay and budget consultation discussions for 2012/13, it was agreed that savings from changes to terms and conditions would be considered. The resulting review of terms and conditions was reported to the Policy and Resources Cabinet Committee on 27 September 2012. The committee requested an update following implementation of the changes agreed. This paper provides that update.

2. **Summary of Terms & Conditions Review to date**

2.1 As part of the review, members of the Personnel Committee were keen to ensure staff views about the wider employment package were sought in order to make more informed decisions about proposed changes.

2.2 A survey was devised and circulated across KCC to help identify reward aspects that were valued by staff. Over 2,000 responses were received.

2.3 Options were prepared and considered by the relevant managerial groups and Member Committees.

2.4 This resulted in the following changes which have now been implemented:

2.4.1 **Weekend and evening enhancements** are made to recompense people for working in different ways. A range of different enhancements were applied across services and these have been replaced by a standard increase to pay of one third when agree via a justified business case. However, if it is felt that applying this enhancement would cause problems with service provision, managers can provide a business case to support paying enhancements above or below this rate.

2.4.2 The **standard overtime rate** is now time plus one third for all overtime rather than time and a half. It is possible to pay a higher rate if an appropriate business case is made by the service.

- 2.4.3 Changes have been made to **disturbance allowance** which compensates staff who have had to move to an office further away from their home and to **loss of earnings compensation** paid to staff redeployed at a lower grade. These allowances have been rationalised and reduced to 18 months from 4 and 3 years respectively for new recipients.
- 2.5 Consultation was undertaken with our recognised trade unions and considerable communication was undertaken with staff and through managers.
- 2.6 Changes were implemented between June and October 2013 (the latter based upon an agreed business case to defer).
- 2.7 All staff affected have been informed.
- 2.8 Budget allocations were appropriately adjusted within directorates.
- 2.9 The changes have resulted in some challenge and 4 formal grievances relating to the removal of additional payments/enhancements were submitted. Recognising the challenge and making provision for this has reduced overall savings slightly. The final savings are shown at Appendix 1.
- 2.10 All business cases are to be reviewed annually to ensure that they remain appropriate for service delivery requirements. This enables the Authority to be clear about payments made, the justifications for them and the groups of staff affected.

3. Recommendation

- 3.1 The Committee is invited to note the outcome of the terms and conditions review.

Colin Miller
Reward Manager
Ext 6056

Appendix 1.

Terms & Conditions Review - Cost Savings summary

Directorate	Unit	Numbers covered	Estimated whole year savings (£k) 2014/15	Estimated part year savings (£k) 2013/14	Proposed implementation date
FSC	SCS Disability	24	15	8	1 August
	LD In house respite	43	32	21	1 August
	OPPD Provision Modernisation	540	710	473	1 August
	OPPD Kent Enablement	278	75	50	1 August
C&C	LRA	190	45	23	1 October
	Contact Centre *	70	75	38	1 October
BSS	ICT	220	125	125	1 April
E&E	Waste Management	4	-	-	1 August
	Total	1493	1,077	738	
	Estimated overtime saving		50	33	
	Total		1,127	771	
	Grievance outcome adjustment		59		
	Overall savings		1,068		

* - Final figure dependant on amount reinvested

Note:

Additional savings are anticipated in other parts of the organisation due to the reduction in the standard overtime provision from time plus a half to time plus one third.

Analysis of overtime indicates expenditure of £1m per annum. Removing plain time for individuals on KR9 and above and savings already take into account within FCS indicated above leaves a figure of £630k. Assuming 75% of this is currently paid at time and a half, a saving of £50k could be made by moving to time and a third on a whole year basis.

The most significant single area of savings is in FSC OPPD Provision Modernisation and is largely due to payments not being made during periods of sickness.

Other business cases received – no cost savings identified

Directorate	Unit	Nos	Proposed implementation date
FSC	LD Supported Living Service (Jubilee House)	4	1 August
	Mental Health (AMHP Service)	18 AMHPs 50 mixed role staff	1 August
	Out Of Hours SCS *	18	1 August
	Children's Respite	34	1 August
E&E	Highways	60	1 June

** Savings will be generated through removal of enhancement for periods of sickness.*