

<b>EMPLOYMENT COMMITTEE</b>	AGENDA ITEM No. 4
<b>31 MARCH 2011</b>	<b>PUBLIC REPORT</b>

Cabinet Member(s) responsible:	Councillor Gr Uff Marco Cereste – Leader of the Council and Cabinet Member for Growth, Strategic Planning and Economic Development Councillor Irene Walsh – Cabinet Member for Community Cohesion, Safety and Women’s Enterprise	
Contact Officer(s):	Mike Kealey - Acting Head of Human Resources	Tel. (01733) 384500

**CHANGES TO EMPLOYEE TERMS AND CONDITIONS AND IMPLEMENTATION OF EMPLOYMENT POLICIES**

R E C O M M E N D A T I O N S	
<b>FROM :</b> Trade Union Representatives	<b>Deadline date :</b> N/A
<p>It is recommended that the Employment Committee agrees:</p> <p>1) to implement the changes to the terms and conditions of employment relating to:</p> <ul style="list-style-type: none"> <li>i) the implementation of a parking charge for staff</li> <li>ii) the removal of the essential car user allowance</li> <li>iii) changing the business mileage rate that can be claimed, and</li> <li>iv) the removal of the salary subsidy childcare voucher scheme</li> </ul> <p>2) to agree to the implementation of the following Employment Policies:</p> <ul style="list-style-type: none"> <li>i) Travel and Subsistence Policy (attached at Appendix A)</li> <li>ii) Car Parking Permit Salary Sacrifice Scheme (attached at Appendix B); and</li> <li>iii) Key User Status Guidance (attached at Appendix C)</li> </ul>	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to the Employment Committee following a referral from the Joint Consultative Forum on 14<sup>th</sup> March 2011.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is to ensure that the council achieves its Medium Term Financial Plan as agreed by Full Council on 23 February 2011.

2.2 This report is for the Committee to consider under its Terms of Reference No. 2.3.1.2 ‘to determine employee procedures, including dismissal procedures’ and 2.3.1.4 ‘to determine local terms and conditions of employment for employees’.

**3. TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If Yes, date for relevant Cabinet Meeting	N/A
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#### 4. BACKGROUND

4.1 The policies below have been prioritised for approval due to the need to achieve the Council's Medium Term Financial Plan.

##### **i) Annual parking permit charge**

4.2 Currently staff receive free parking during their working hours. The Corporate Management Team identified a significant income stream to support its savings plan if this benefit were to be withdrawn and replaced with an annual parking permit charge. The parking permit charge "salary" bands will replicate the "salary" bands used for determining employee contribution levels to the Local Government Pension Scheme (LGPS). The amended bands/parking charges can be found in the table below. This would be applied to all employees who require a parking permit irrespective of whether they are in the pension scheme or not.

4.3 Therefore, whatever "band" employees fall under for pension purposes, they will also fall under this "band" for car parking charges.

<b>Band</b>	<b>LGPS bands (2011/12)</b>	<b>Parking Permit Price per month</b>	<b>Parking permit price per year</b>	<b>Salary sacrifice rate (approximate) per year</b>
7	More than £81,101 plus	£69.59	£835.08	£501
6	£43,301 to £81,100	£60.84	£730.08	£438
5	£32,401 to £43,300	£45.42	£545.04	£436
4	£19,401 to £32,400	£37.50	£450.00	£360
3	£15,101 to £19,400	£26.67	£320.04	£256
2	£12,901 to £15,100	£17.50	£210.00	£168
1	£0-£12,900	£17.50	£210.00	£168

(NB: These salary bands will be adjusted each year in line with any changes to the LGPS scale)

4.4 For part time employees, amounts paid will be pro-rated to the employees' contractual hours of work.

4.5 To further reduce the cost of this to employees the Council will offer a salary sacrifice arrangement. By opting to take part of their salary in childcare vouchers employees can take advantage of tax and National Insurance (NI) savings.

4.6 See Appendix A for the amended Travel and Subsistence Policy and Appendix B for details of the Car Parking Permit Salary Sacrifice Scheme.

##### **ii) Removal of Essential Car User Allowance**

4.7 Currently, staff who require the use of a car for the purposes of carrying out their role receive an Essential Car User Allowance of between £846 pa and £1,239 pa depending on car engine size. This is paid over 12 months. The Corporate Management Team identified significant savings if this benefit were to be withdrawn and therefore it is proposed that the essential car user allowance scheme will cease from 1 April 2011.

4.8 To mitigate this loss it has been agreed that a new criteria will be developed for identifying Key Users and for these staff a free annual parking permit will be issued.

4.9 See Appendix C for details of the Key User Status Guidance and application process.

##### **iii) Change in business mileage rate**

4.10 Currently business mileage is paid at the following rates:-

- i) Essential Car Users between 36.9p and 50.5p per mile (depending on engine size)
- ii) Casual Car Users between 46.9p and 65p per mile (depending on engine size)

- 4.11 It is proposed that the new business mileage rate of 40p per mile will apply to all business mileage undertaken from 1 April 2011, regardless of whether the member of staff is a Key User or not. This is the current maximum authorised HMRC mileage rate.

#### **iv) Removal of the salary subsidy childcare voucher scheme**

- 4.12 The council currently has two types of childcare voucher scheme. The first is a salary sacrifice arrangements where by the employee agrees to sacrifice part of their salary to receive a non-cash benefit i.e. childcare vouchers. The second scheme is whereby the council pays a salary subsidy to employees who earn below spinal point 32. in order for them to purchase childcare vouchers. The council proposes to withdraw the second scheme.
- 4.13 The staff currently in this scheme will be offered the option of either joining the former scheme or, if they are already members, increasing their voucher value subject to HMRC limits.

### **5. CONSULTATION**

- 5.1 Staff have been consulted widely on all of the above proposed changes and encouraged to put forward ideas and ask questions through the council's intranet.
- 5.2 Unison balloted members and 78% of members voted in favour of adopting the changes to save 60 jobs.
- 5.3 The joint Trade Unions have been consulted and the policies were agreed at the meeting of the Joint Consultative Forum on 14<sup>th</sup> March 2011.

### **6. ANTICIPATED OUTCOMES**

- 6.1 These proposed changes to terms and conditions and policies will help to ensure that the council is able to meet its Medium Term Financial Plan and reduce the amount of redundancies required by 60 full time equivalent positions.

### **7. REASONS FOR RECOMMENDATIONS**

- 7.1 These changes are required in order for the council to meet its Medium Term Financial Plan agreed at Full Council on 23 February 2011.

### **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 A flat charge of £500 per employee for the parking scheme was originally proposed as part of the MTFP. However a banding scheme was felt to be a more appropriate and a fair way of implementing the charges, where the higher earner bears the greatest burden of the charge.

### **9. IMPLICATIONS**

- 9.1 These policies will be reviewed on an ongoing basis and will be amended from time to time to ensure achievement of the Medium Term Financial Plan.

### **10. BACKGROUND DOCUMENTS**

Medium Term Financial Plan.

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