

COUNTY COUNCIL – 11 DECEMBER 2012

Terms and Conditions of Service – 2013-14

Report by Assistant Chief Executive & Chief Finance Officer

Urgent Item

1. Under the provisions set out in Section 100B(4) of the Local Government Act 1972 (as amended) the Chairman of the Council is of the opinion that the following report can be taken as urgent business by reason of the need to negotiate changes to terms and conditions and give notice of changes by end of 2012.

Background

2. The newly created Remuneration Committee was set up to consider matters relating to pay and terms and conditions of employment and to make recommendations to Council. It had its first meeting on 28 November 2012 and its first urgent item of business was to consider the Council's position following the planned cessation of the current local agreement on terms and conditions of employment which is due on 31 March 2013.
3. This local agreement was introduced in 2010, following negotiations with trade unions. The Council made temporary changes to some terms and conditions of employment in order to assist with the extreme budget situation at that time. It was estimated that this agreement saved around £4 million – equivalent to around 140 jobs on Green Book Grade 8 (£22-24,000p.a.).
4. The Remuneration Committee considered each of the changes to terms and conditions associated with the local agreement and makes the following proposals.

Proposals for 2013-14

5. **Incremental Rises:** The Council should reintroduce incremental rises for Green Book employees earning over £22,000 p.a. with effect from 1 April 2013. This will cost approximately £1.5 million in 2013-14. In conjunction with this the Council should remind managers and employees of the existing contractual condition for Green Book employees whereby incremental rises may be with-held where performance is unsatisfactory.

6. **Car Mileage Rate:** The Council should reintroduce the Inland Revenue All Car Rate for work mileage from 1 April 2013. In 2010 when the local agreement was signed the All Car rate was 40 pence per mile. Shortly after this, the rate was increased to the current 45 pence per mile, though this was never applied in the Council.
7. The Council's travel budget plans for 2013-14 were based on the 40 pence per mile level and there is no additional money to increase this to the 45 pence level. However, there has been a 14% drop in business miles travelled during the period when 35 pence per mile has been in place and managers will be required to maintain, and indeed improve, this reduction in car travel in order to absorb the increased mileage rate within travel budgets and as an essential environmental measure in line with the Council's 'Green' policies.
8. **Redundancy Compensation:** The level of redundancy compensation paid by the Council is a key factor in the efficient and fair management of staff reductions. During 2010 to present around 700 jobs have been lost through redundancy and compensation has been awarded at one and a half times statutory number of weeks' pay on actual rates for all of those since December 2010 in accordance with the local agreement.
9. A lesser number of redundancies is expected during 2013-14 but future years may revert to a more severe pattern. The Council seeks to be as fair as possible to employees who are unfortunate enough to be made redundant and it is not equitable to employees if the level of redundancy compensation fluctuates so that some receive higher compensation than others.
10. In addition, the national trend in local authorities is for redundancy pay to be more in line with what is often paid in the private sector. National surveys show a move towards a one and a half times calculator and a move away from more generous payments.
11. For these reasons, the Council should seek agreement with trade unions to continue the current redundancy compensation calculation level at one and a half times statutory weeks' based on actual pay.
12. **Local Pay and terms and Conditions for Green Book Employees:** A number of councils have moved away from national negotiations for pay and terms and conditions towards local negotiations. This offers the ability to more closely match employment terms with local requirements.
13. The Remuneration Committee consider that Oxfordshire County Council should explore transferring to local pay and negotiations and should seek to gain agreement to this move with relevant trade unions.

RECOMMENDATIONS

14. **Council is RECOMMENDED to ask Officers to seek agreement with relevant trade unions to the following:**

- (a) reintroduce the payment of annual incremental rises for employees earning over £22,000 per annum where applicable with effect from 1 April 2013. The existing Green Book contractual provision for the with-holding of increments where performance has been unsatisfactory will continue to apply;
- (b) reintroduce the payment of the Inland Revenue All Car mileage rates for business travel, currently 45 pence per mile. Costs over and above the old rate of 40 pence per mile to be absorbed in service budgets;
- (c) continue to calculate redundancy compensation at the rate of one and a half times the statutory number of weeks' pay on actual pay;
- (d) Negotiate the transfer of Green Book terms and conditions and pay from the current system of national negotiations to a system of local negotiations and to report back to the Remuneration Committee.

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