

**MAIDSTONE BOROUGH COUNCIL**

**MEMBER AND EMPLOYMENT AND DEVELOPMENT PANEL**

**WEDNESDAY 9 JULY 2014**

**REPORT OF CHIEF EXECUTIVE**

**Report prepared by Dena Smart**  
**Head of HR Shared Services**

**1. PROPOSED CHANGES TO STAFF TERMS AND CONDITIONS**

1.1 Issue for Decision

1.1.1 To confirm the changes which have been negotiated with trade unions in connection with the pay award for 2014/15.

1.2 Recommendation of Chief Executive

1.2.1 That the link to National Joint Council (NJC) terms and conditions is removed from all contracts of employment.

1.2.2 That the annual leave entitlements are reduced for new employees in line with the levels negotiated with the trade unions.

1.2.3 That unsocial hour's allowances are removed from the council's allowances subject to the exceptions set out in the report below.

1.3 Reasons for Recommendation

1.3.1 The council has been on local pay since the early 1990's when it came away from the NJC rates and introduced the HAY pay scale. As part of this the council set up local pay bargaining with the trade unions which are set out in the trade union collective agreement, these processes have been followed very effectively and have enabled the council to deliver considerable change with minimal employee relation difficulties. We consult on the pay award every year through this process and in some years there have been changes to other terms and conditions associated with the pay consultations. In the current process we have used the opportunity to streamline some of our policies and terms and also used it as an opportunity to move some of our policies closer to those of our Mid Kent Improvement Partnership (MKIP) councils. The briefing note that went to all staff is attached at Appendix A which sets out the full extent of the proposed changes. The Member and

Employment and Development Panel is the non-executive committee that has responsibility for setting employee terms and conditions and would need to confirm agreement to any significant contractual variation (this would not include policy changes such as work/life balance policies as these are not contractual); the MEDP is not responsible for the agreement of the pay award as this is a budgetary responsibility of the Cabinet. Although several of the proposed changes are minor policy changes some are significant changes to terms and conditions and these are set out below.

1.3.2 Over the years the council has developed its own employment policies, some of these mirror the NJC terms e.g. maternity leave arrangements, and some are quite different from NJC allowances e.g. car mileage rates. Despite the fact that we have our own terms and conditions our contracts of employment still refer to the NJC and this could be a risk in the future. With the link into the NJC any national level disputes could affect our staff and as we do not place any reliance on the NJC terms the trade unions have been consulted to break this link. The trade unions have not had any issues with this change as it will not make any difference to the employees' terms and conditions as all our own policies superseded the NJC terms.

1.3.3 We have compared the terms and conditions across the MKIP employers and wherever possible have tried to use this opportunity to move them closer together. Although some of the changes are very operational this is largely to assist line managers that have staff in more than one organisation and are trying to manage with three different sets of rules. One example of this is the flexi time policy, all three councils allow staff to work flexi time but the rules differ across the three, this is an unnecessary complication and the consultation process was to gain the trade unions agreement to changing the rules. The three MKIP councils now have an established joint policy group that is working on shared policies and the flexi time policy will be changed through that process.

1.3.4 The comparison of the terms and conditions across the three MKIP councils highlighted that Maidstone was more generous than the other employers on the annual leave policy. Although this is not an immediate direct cost saving the generous holiday entitlements do cause difficulty with cover in some teams. The comparison is in the table below:

Maidstone	Swale	Tunbridge Wells
Grades 1-7 22 (+5); Grades 8-11 - 25(+5); Grades 12-13 27 (+5); Grades 14-16 32 (+5) plus 1 day for 25 years' service	Grades 1 to 3 22 (+5); Grades 4-7 26 (+4); Grades 8-12 30days; Grades 13- 14 32days	Grades A-F 22 (+5) Grade G 24 (+3) Grades H-K 26 (+3) Grades SM3 - CE 32 (+3) additional 5 days for over 30 years LG service

The proposal agreed in principle with the trade unions is that for newly recruited staff the annual leave entitlements would change to:

Grades 1-7 22 days per year (+5 after 5 years' service);  
Grades 8-11 – 24 days per year (+3 after 5 years' service);  
Grades 12-13 26 days per year (+3 after 5 years' service);  
Grades 14-16 32 days per year

The current additional day for 25 years' service would be removed, although those that have already been given this additional day will be allowed to retain it. Staff that change their job will move to the new annual leave scheme with effect from the next annual leave year.

The proposals have only been agreed by the trade union because they give protection to existing employees and this has avoided employee relations issues, however the only area of the proposals that have caused any difficulty relates to the proposal that if an employee moves role they have to take on the new annual leave entitlements.

As the annual leave entitlement is one of our core terms and conditions this change will need to be ratified by the MEDP.

1.3.5 The council has a provision for the payment of unsocial hours, this was linked to the NJC terms and conditions. Neither of the other MKIP councils make additional payments for unsocial hours and in reality this is an allowance that is rarely paid to members of staff at Maidstone. The provision was for time and a half to be paid at night and on Saturdays and double time on Sundays. With the change to work patterns in the last decade this allowance is out of date and where a member of staff knows in advance that they are going to work at an unsocial time this is part of their core contract and they should not receive payment enhancements. The council does have a significant proportion of work undertaken at the weekends through the depot staff but the majority of this is through overtime working and therefore does not attract additional unsocial hours payments.

1.3.6 There are two exceptions to this unsocial hours arrangement. The Civic Officers are currently paid time and one third for 'out of hours' work, this was a rate specifically for that post and we have agreed with the trade unions that the current Civic Officers can retain the enhancement as a 'frozen rate' but any new recruits would know the nature of the role before starting and would therefore be paid at plain time regardless of when they worked.

The second exception relates to work on the Emergency Planning rota. The current arrangements are that members of staff are paid overtime rates if they work on the emergency planning team in addition to their

normal job. There are some inequities in this arrangement as people at very different levels in the organisation may take on the same role in an emergency e.g. Rest Centre Manager but because they are paid overtime on their substantive job they are paid different amounts for doing the same task. There is an agreement with the trade unions that we will review the emergency planning duties and develop a 'rate for the job' some aspect of which may reflect that pay could vary depending on when the shifts are worked.

As the removal in this allowance constitutes a change to terms and conditions the MEDP is asked to ratify the proposal.

1.3.7 Consultation with the trade unions began in March 2014 and the proposals went out to staff in May 2014 followed by a vote amongst union members. There was 100% agreement amongst UNITE members and a 72% yes vote from UNISON. All those aspects of the proposals that would not constitute formal terms and conditions will be implemented with immediate effect but the MEDP ratification is required for the three terms and conditions items.

#### 1.4 Alternative Action and why not Recommended

1.4.1 The MEDP could choose to substitute other options for consultation but this would require further consultation with staff and as the pay increase has been agreed and implemented there may be insufficient leverage to gain agreement.

#### 1.5 Impact on Corporate Objectives

1.5.1 This has a direct impact on employee engagement and is one of the five strands of the council's Workforce Strategy.

#### 1.6 Risk Management

1.6.1 The greatest risk seems to be relating to staff morale as there have been several complaints about the change to annual leave for existing staff when they move to another role within the council and this could discourage people from moving to new positions. This could be mitigated by extending the protection so that all current employees are allowed to remain on the current schemes whilst they remain employed with the council.

#### 1.7 Other Implications

##### 1.7.1

1. Financial
2. Staffing

X

3. Legal
4. Equality Impact Needs Assessment
5. Environmental/Sustainable Development
6. Community Safety
7. Human Rights Act
8. Procurement
9. Asset Management


1.7.2 There are no financial implications as the pay award has already been agreed, implemented and is contained within existing budgets.

1.7.3 Staffing implications are explained within the body of the report.

## 1.8 Relevant Documents

### 1.8.1 Appendices

Appendix A Pay briefing for staff

**IS THIS A KEY DECISION REPORT?**

**THIS BOX MUST BE COMPLETED**

Yes

No

If yes, this is a Key Decision because: .....

.....

Wards/Parishes affected: .....

.....

## **Appendix A**

### **Maidstone Borough Council**

#### **All Staff Briefing – Pay Award Consultations 2014/15**

Dear Colleague

This briefing note is designed to give you information on the annual pay consultation process and the council's proposals for change.

If you are a member of one of the trade unions you will also be asked separately, by them, to identify whether you want them to agree to the council's proposals and accept the pay offer on behalf of all employees.

### **Background**

The council and trade unions (UNISON and UNITE) conduct annual pay bargaining to determine changes to both pay scales and any associated terms and conditions. The council has been on local pay since the 1990's and there has been a track record of successful pay bargaining since that time.

In recent years at **national** level there was a **pay freeze** during the period 2010 – 2013 and in 2013/4 there was a 1% pay increase. This council has consistently aimed to recognise the expectations of staff to maintain their pay levels and although council budgets have not been able to match the level of pay inflation over recent years there has not been any year in which there have been zero pay awards for all staff. The council has also endeavoured to improve the rate of progress of those in the lowest pay grades through 'bottom loading' the pay awards.

2013 – 1% pay increase but Living Wage reflected for the lowest paid  
2012 – £250 to new grades 2- 6  
2011 - £250 to grades below grade 8  
2010 – 0.5% to all grades

The budget for 2014/15 contained up to 1% for pay inflation (in addition to incremental progression) and the council plans to use this on the pay award. The pay inflation is not proposed to be paid across the board as a percentage but as a flat rate increase of £250 on all pay scale points, this represents an award of between 1.7 and 0.2%; in addition the first point of grade 2 has been increased to reflect the current Living Wage level. The proposed pay scales are set out at the end of the document.

In addition to the pay scales and as part of an overall package, the council has been consulting on changes to some of our terms and conditions which are set

out below. These changes will enable us to more closely mirror the benefits in the other MKIP partners, cease allowances which are infrequently used or save money. Finally, the council's contracts of employment have continued to refer to the NJC terms and conditions and these proposals mean that our local terms and conditions will now completely replace these links and this clause will be removed.

Although this consultation process has been delayed beyond 1<sup>st</sup> April once agreed all payments will be backdated to this date.

**Summary of proposals**

<b>Benefit</b>	<b>Consistency with partners</b>	<b>Cost saving or efficiency</b>
Reduction in annual leave allowances for <b>new starters</b> to: Grades 1-7 22 (+5 after five years); Grades 8-11 24(+3 after five years); Grades 12-13 26 (+3 after five years); Grades 14-16 32 Protection to existing staff on their current schemes whilst in current post.	Yes	Yes
Unsocial hours payments removed These are rarely paid in normal circumstances - however there is recognition that the emergency planning payments need to be agreed.	Yes	
Compassionate Leave reduced from 7 to 5 days	Yes	
Flexitime arrangements to be standardised across MKIP partners – core hours, debit/ credit rules etc. The new rules to be developed jointly in the next few months.	Yes	
Excess Travel Policy – new policy – draft attached.	Yes	
Maternity Support Leave removed (rarely used benefit)	Yes	
Retirement Gift to be removed and current Long Service Award to be replaced with Service Recognition Award – draft attached	Yes	

The trade unions have requested:

- that there is a transitional arrangement for the retirement gifts for anyone due to retire in the next year and this has been agreed;

- that there is some flexibility for compassionate leave to be extended to a maximum of 7 days if there are exceptional circumstances – this has been agreed.

In addition the council has already agreed changes to its Home working policy (available on the intranet) which sets a maximum limit of £10 per month available for Broadband for **permanent** home workers

There has also been an 'in principle' discussion about the complete closure of Maidstone House between Christmas and New Year. This would mean that staff would have to reserve some of their own annual leave to cover these days. Although there is currently no Member direction on this option management would want to reserve the right to introduce this way of working with a minimum six month notice period to ensure staff have the opportunity to reserve their annual leave for the purpose; the union have agreed this approach in principle but as yet there is no decision for Christmas 2014.

The majority of these policy changes can be introduced once agreement is finalised with trade unions but some of the changes (unsocial hours and annual leave arrangements) will need to have final approval by the Member and Employment and Development Panel before implementation.

### **Next Steps**

The council consults with the trade unions as the representatives of all employees and the decision to agree to the proposals will be determined by the trade union vote amongst its members. Once agreed the pay increases should follow in the next months' pay and will include back-dated pay to 1<sup>st</sup> April 2014.

If you have any questions regarding these proposals please contact me or your trade union representatives, Alastair Barker, UNISON or John Neale, UNITE.

Yours sincerely



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**Salary Scales wef 1st April 2014**

Grade	Spine point 1	Spine point 2	Spine point 3	Spine point 4	Spine point 5	Spine point 6	Spine point 7
1	<b>GRADE ONE IS NO LONGER IN USE</b>						
2	£14,760	£14,982					
3	£15,391	£15,770	£16,158				
4	£16,476	£16,882	£17,297				
5	£17,625	£18,059	£18,505	£18,961			
6	£19,519	£20,001	£20,494	£21,000			
7	£21,498	£22,030	£22,574	£23,133			
8	£23,498	£24,196	£24,914	£25,655			
9	£26,662	£27,454	£28,270	£29,111			
10	£29,665	£30,548	£31,457	£32,393			
11	£32,689	£33,663	£34,665	£35,697			
12	£36,404	£37,850	£39,354	£40,919			
13	£42,698	£44,541	£46,382	£48,181	£50,357	£52,533	£54,708
14	£58,602	£61,249	£63,897	£66,545	£69,689	£72,926	£75,082
15	£77,684	£81,080	£84,478	£87,875	£91,272	£94,669	£98,446
16	£103,086	£106,016	£108,948	£111,878	£114,810	£117,740	£122,440

**Excess Travel Policy**

**1. Policy Introduction**

This policy is to ensure that staff are reimbursed appropriately for travel costs incurred following a change of base and/or a requirement to travel to organisations with which their employer is in partnership. This is on the understanding that the reason for the additional travel costs is likely to be due to organisational change.

**2. Aim**

The policy sets out the Council's position in relation to:

- When excess travel mileage will be paid;
- What can be claimed by an employee who has transferred to a new location;
- When transfer of work location mileage can and cannot be claimed;
- How long an employee is entitled to receive excess travel mileage payments

**3. Excess Travel Allowance**

### 3.1 Definition

Excess travel is an allowance paid to staff who have had their work base changed permanently (as a result of organisational change) and/or are required to travel to organisations with which their employer is in partnership; and where the distance between home and their new base is significantly greater than the distance between home and their old base.

### 3.2 Allowances

An employee will be entitled to excess travel mileage if as a result of a change to their work base; the journey to their new work base from home is further than 5 miles (one way) than the distance travelled from home to their existing work base.

#### **Example 1:**

An employee who lives in Tonbridge and whose previous work base was Tunbridge Wells Borough Council (TWBC) has been transferred to Swale Borough Council (SBC):

Home to previous work base (TWBC)	= 7.5 miles
Home to new work base (SBC)	= 27.5 miles

The employee would be required to travel an extra 20 miles each way and therefore they would be entitled to receive excess travel mileage.

#### **Example 2:**

An employee who lives in Gillingham and whose previous work base was Maidstone Borough Council (MBC) has been transferred to SBC:

Home to previous work base (MBC)	= 11 miles
Home to new work base (SBC)	= 13 miles

The employee's additional mileage is less than 5 miles and therefore they would not be entitled to excess travel mileage.

For the purpose of this policy, distances to employees previous work base and their new work base will be calculated using postcode information for each address. The distance between the two postcodes will be calculated using 'Google Maps' with distances rounded to the nearest ½ mile.

Additional travel time will not be paid or allowed for in relation to organisational change.

### 3.3 Payment of Claims

Mileage will be paid based on current council car mileage rates and claimed monthly on iTrent. It will only be paid for days travelled from home to the new place of work.

If public transport is used reimbursement of fares covering the excess miles will be paid on production of a valid ticket.

### 3.4 Approval

Excess travel payments may be authorised initially by the relevant Head of Service in consultation with Human Resources, thereafter the normal claim process through iTrent with line manager approval should be followed.

## 4. Duration

Allowances will be paid for a maximum of 3 years from the date of the change of work base for employees that have incurred additional travel costs from the change.

## 5. Further Changes to Work Base

If a member of staff voluntarily changes their work base through for example applying for a new job within the partnership then entitlement to these allowances will cease from the date that they take up their new post.

If further organisational change results in a change to work base within the 3 year period then the excess travel allowance will be re-calculated. Where the new base is a greater distance than the initial 'home' base but less than the initial relocation distance the allowance will be re-calculated on the distance from the initial 'home' base and will be paid for the remainder of the three year period.

## 6. If an Employee Moves Home

If the member of staff moves house during the 3 year period, the following principles will apply:

- If they move further away they should continue to claim the excess to a maximum of the amount they were originally claiming.
- If they move closer to their new base, but still further from the new work base than their previous work base, the payment will therefore reduce and will be calculated on the basis of the difference in mileage between the new home and new work base and their new home and previous work base until the original 3 year period ends.

## **7. Other Business Travel**

The excess travel would not be applicable where a member of staff travels from home to a different location; normal business mileage should be claimed if this is appropriate.

## **8. Equality and Diversity**

This policy applies to all employees, irrespective of age, race, colour, religion/belief, disability, nationality, ethnic origin, gender, sexual orientation, marital status, gender reassignment or trade union membership. All employees will be treated in a fair and equitable manner recognising any special needs of individuals where adjustments need to be made. No member of staff will suffer any form of discrimination, inequality, victimisation, harassment or bullying as a result of implementing this policy.

March 2014

DRAFT

# Long Service Recognition Scheme

## **Policy Statement**

We believe that it is important to recognise and reward those members of staff who have worked at Maidstone Borough Council for a significant period of time. We will recognise and reward those who have worked at Maidstone Borough Council but not in other local government bodies.

We intend to recognise long service (in year) at the awards event each year; this will involve their names being published as part of the programme for the event.

The scheme will also allow for financial reward for reaching significant milestones. The awards will be available in the form of a shopping voucher. It will be due on the anniversary of the date a member of staff began working with Maidstone Borough Council.

The rewards will be as follows:

10 Years – Certificate of Recognition and £25 voucher  
15 Years - Certificate of Recognition and £50 voucher  
20 Years - Certificate of Recognition and £75 voucher  
25 Years - Certificate of Recognition and £100 voucher  
30 Years - Certificate of Recognition and £150 voucher  
35 Years - Certificate of Recognition and £200 voucher  
40 Years - Certificate of Recognition and £500 voucher

These vouchers will be administered at the end of each quarter. The scheme is introduced from 1 September 2014 and awards will not be made retrospectively for milestones reached before this date.