

NORTHAMPTON BOROUGH COUNCIL

GENERAL PURPOSES COMMITTEE

Tuesday, 14 September 2010

PRESENT: Councillor Garlick (Chair); Councillor Woods (Deputy Chair);
Councillors Choudary, Conroy, Palethorpe, Glynane and Simpson.

1. APOLOGIES

Apologies were received from Cllr D Edwards and Cllr J Duncan who was substituted by Cllr D Palethorpe

2. MINUTES

The Minutes of the meeting held on the 27th April 2010 were signed by the Chair.

3. DECLARATIONS OF INTEREST

None

4. DEPUTATIONS / PUBLIC ADDRESSES

The Unison representative, Ms Avery addressed the Committee and commented that whilst the future of public services was very much in the public eye and staff and the services they provide should be celebrated for their contributions. Staff should therefore be treated humanely and supported through the difficult times that lay ahead. Frustration of staff had been noted, as the process had been lengthy and people felt they were left in limbo during the apparent lack of progress. This indicated the thoroughness of the process had been tackled and it was noted that a section of the workforce had not been included in the process at all. Unison would endeavour to make themselves available to meaningful consultation right up until the door closes and hoped to meet later in the month with the Head of Human Resources and the rest of the Pay and Grading Team.

The GMB representative, Mr Richards addressed the Committee and reported that the joint trade unions have not agreed the proposals. More specifically, that GMB are fundamentally opposed to them. He stated that the report sets out some of the implications of a proposed pay structure and how this will impact upon employees, but that was not the complete picture. Taking into account the full range of the proposals, including allowances, etc., he said that 32.1% of employees will lose money. Effectively, a pay cut for 1/3 of the workforce. He added that on basic salary alone, the report states that 111 employees will lose in excess of £2,500. That equates to 1 in 10 of the workforce and that the figure will rise, taking into account the full range of proposals.

Mr Richards reminded the Committee that the proposals do not apply to the highest paid employees of the Council.

Mr Richards went on to identify other specific concerns regarding aspects of the proposals.

The concerns related to the period of up to one-year pay protection for staff that lose money and the move from service related increments to an untried system of pay progression.

He stated that the period of pay protection is far less than the maximum period justified through equal pay legislation and is far less than that offered by many local authorities. He added that, previously, the Chief Executive has stated to staff that the Council will protect employees who lose money within what the law allows. These proposals contradict that commitment.

Regarding the pay progression proposal, Mr Richards stated that the new system would limit incremental progression for employees and amounted to another form of pay cut.

Mr Richards stated that Council employees have been working in a climate of job cuts, potential outsourcing and two years without pay awards. On top of this, the proposals introduce worse terms and conditions and pay cuts for 1 in 3 staff.

He confirmed that, as a trade union, GMB represents the best interests of their members and cannot accept the proposals. If the council follows the recommendations in the report, Mr Richards stated that this would potentially force GMB into a dispute. He added that GMB Members do not want this and that the Council did not either. He requested that the Committee reject the recommendations in the report. He also requested that the Committee commit the Council to restart meaningful negotiation with the joint trade unions.

At the conclusion of his presentation, Mr Richards stated that, at the point at which negotiations effectively ceased in February, the Council put forward alternative pay models. One of these detailed a much more neutral impact, with 33% of employees as green circles and less than 20% of employees losing pay. He stated that this demonstrates that better outcomes are possible and that, by working together, it was possible to achieve proposals that meet the needs of both GMB members and the Council's financial constraints. He added that this would not be possible if the Council moves forward with these proposals.

When questioned by Committee Members, Mr Richards accepted that under proposed changes, pay cuts may occur. However, he stated that he could not justify 33 percent of staff being affected. Mr Richards also suggested that there was still a commitment from GMB to continue the negotiations with NBC and he would agree to a time limitation on this.

Mr Labrum addressed the Committee and commented that the revised terms and conditions of service was a cost cutting exercise and the percentage of people losing out was unacceptably high. It was reported that whilst there were no savings in the initial years, a saving would become apparent after 2013 and that this should have been disclosed in the budget. The Chief Executive responded to this by explaining that the medium term financial strategy actually indicated an increase of spending on staff and therefore it was not done on the basis of financial savings.

5. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE CHAIR IS OF THE OPINION SHOULD BE CONSIDERED

None

6. REVISED TERMS AND CONDITIONS OF SERVICE FOR COUNCIL EMPLOYEES.

The Head of Human Resources outlined the report to the Committee and informed them that the single status agreement had been signed in 1997 and that there had been two previous attempts to undertake the process but there had been a failure to reach any satisfactory solutions.

A questionnaire had been undertaken and the results had been analysed independently and sent through to the job evaluation panel. Each score had been checked to ensure that the hierarchy was correct and the fact that the job evaluation process had been so detailed resulted in the extensive time taken to complete. Extensive involvement with the Unions had been carried out, each of which had the power to veto a proposed scheme. It was noted that 22 different schemes had been considered however, having failed to reach a resolution with the Trade Unions at local levels, communication was extended to regional levels in an attempt at reconciliation, as there was a want to have collective agreement.

Cllr Simpson asked why NBC was offering a 1-year pay protection agreement when other Councils had offered up to 3 years. It was acknowledged that neighbouring authorities had offered a similar agreement. The Borough Solicitor informed the Committee that a continuation of pay protection over 3 years would open up more legal risks and a balance would be needed to address any inequality issues.

Cllr Mildren asked whether the pay protection agreement would be a saving to the Council. The Director of Finance and Support answered by informing the Committee that the Medium Term Financial Plan superficially looked as though savings would be made but there would be a spending of about £1.5 million and that in terms of finances the HRA and the General Fund should be regarded as two separate things.

Cllr Glynane asked if of the 22 different options considered, had any agreements been struck and if there was figure between 20 and 30 percent of staff being affected that had previously been reached. The head of Human Resources stated that the best pay model achievable was attained and different options had been explored within the settings of the key increments. However, it was the actual percentage of people affected that the GMB had strongly objected to instead preferring the 20 percent or below figure.

A handout was distributed by the Chief Executive, which indicated the numbers of people who would gain, lose and stay the same. He went on to explain that producing an equal pay structure would involve finding the pay protection capital through the General Reserve and informed Members that management would be very mindful of the individuals who would be affected by pay cuts and the Council would support them through the process and emphasised that it would be undesirable to have cases brought against the Council on the grounds of inequality.

Cllr Palethorpe asked of the involvement between management and the Trade Unions of the 310 people set to lose and what work would be carried out with the staff that would be affected. Catherine Wilson explained that support would be given to those who would be

negatively affected and that there was a continued commitment to work with the Trade Unions until the end of September 2010.

Cllr Woods proposed that the Committee adopt the report but was not seconded. The Chair the opened up meeting for further discussion proceeded to go through each of the recommendations.

The Committee then:

1. Approved and adopted the proposals for new pay and conditions, for employees covered by the National Joint Council for Local Government Services.
2. Delegated to the Chief Executive as the Council's Head of Paid Service the power to take any direct or incidental actions required to implement the revised terms and conditions and any other issues arising from the report subject to the financial implications by Cabinet
3. Approved and adopted the pay protection arrangements of one year to run from the 1st January 2011 until the 31st December 2011.
4. Approved and adopted the Pay Progression Policy and delegated to the Chief Executive as the Council's Head of Paid Service the power to amend the policy should the need arise.
5. Approved and adopted the Market Supplement Policy and delegated to the Chief Executive as the Council's Head of Paid Service the power to amend the policy should the need arise.
6. Approved and adopted the revised essential car mileage allowances and Inland Revenue fixed rate mileage scheme for all employees of the Council, implementation planned for 1st April 2011, subject to completion of consultation with Trade Unions.

The meeting concluded at 19.39

7. EXCLUSION OF PUBLIC AND PRESS

The Chair moved that the public be excluded from the remainder of the meeting on the grounds that there was likely to be disclosure to them of such categories of exempt information as defined by Section 100(1) of the Local Government Act 1972 as listed against such items of business by reference to the appropriate paragraph of Schedule 12A to such Act.

The Motion was Carried.

The meeting concluded at 19.39