



GENERAL PURPOSES COMMITTEE

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Tuesday, 29th July, 2014 at 12.00 pm

MEMBERSHIP

Councillors

D Blackburn	Farnley and Wortley;
J Blake	Middleton Park;
S Golton	Rothwell;
P Gruen	Cross Gates and Whinmoor;
G Latty	Guiseley and Rawdon;
J Lewis	Kippax and Methley;
A Lowe	Armley;
E Nash	City and Hunslet;
J Procter	Wetherby;
M Rafique	Chapel Allerton;
S Varley	Morley South;
K Wakefield (Chair)	Kippax and Methley;

Agenda compiled by:
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LEEDS LS1 1UR
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A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 15.2 of the Access to Information Procedure Rules (in the event of an appeal the press and public will be excluded).</p> <p>(*In accordance with Procedure Rule 15.2, written notice of an appeal must be received by the Head of Governance Services at least 24 hours before the meeting)</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-</p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
3			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration</p> <p>(The special circumstances shall be specified in the minutes)</p>	
4			<p>DECLARATION OF DISCLOSABLE PECUNIARY AND OTHER INTERESTS</p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2000 and paragraphs 13-18 of the Members' Code of Conduct. Also to declare any other significant interests which the Member wishes to declare in the public interest, in accordance with paragraphs 19-20 of the Members' Code of Conduct.</p>	
5			<p>APOLOGIES FOR ABSENCE</p> <p>To receive any apologies for absence from the meeting.</p>	
6			<p>MINUTES - 28TH MAY 2014</p> <p>To receive the minutes of the meeting held on 28th May 2014</p> <p>(Copy attached)</p>	1 - 4

Item No	Ward/Equal Opportunities	Item Not Open		Page No
7		10.4(4, 5) (Exempt Appendix 3 only)	<p>HR CHALLENGES 2014 - PROPOSED CHANGES TO TERMS AND CONDITIONS</p> <p>To receive a report of the deputy Chief Executive which seeks approval from the Committee to changes to employment terms and conditions including; removing current pay protection arrangements and having no pay protection policy going forward, removing the Managing Workforce Change Policy and replacing it with a Managing Staff Reductions Policy and changes to some of the Council's existing travel arrangements. In addition to this the Council intends to make use of existing flexibility clauses in employment contracts and develop a flexibility protocol to support and enable a flexible workforce and proposes to withhold incremental progression where there is an adverse report on an employee.</p> <p>Please note that Appendix 3 to this report is designated as exempt under the provisions of Access to Information Procedure Rule 10.4 (4 & 5)</p> <p>(Report attached)</p>	5 - 42

Item No	Ward/Equal Opportunities	Item Not Open		Page No
			<p>THIRD PARTY RECORDING</p> <p>Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts named on the front of this agenda.</p> <p>Use of Recordings by Third Parties– code of practice</p> <p>a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title.</p> <p>b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.</p>	
2				
a)				
b)				

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GENERAL PURPOSES COMMITTEE

WEDNESDAY, 28TH MAY, 2014

PRESENT: Councillor K Wakefield in the Chair

Councillors A Blackburn (as substitute for D Blackburn), J Blake, S Golton, P Gruen, G Harper, G Latty, A Lowe, E Nash, J Procter, M Rafique and S Varley

Apologies Councillor D Blackburn

36 Appeals against refusal of inspection of documents

There were no appeals against the refusal of inspection of documents.

37 Exempt Information - possible exclusion of the press and public

There were no resolutions to exclude the public.

38 Late items

There were no late items submitted.

39 Declaration of Disclosable Pecuniary and Other Interests

No declarations were made

40 Apologies for absence

Apologies for absence were received from Councillor D Blackburn. Councillor A Blackburn was in attendance as substitute.

41 Minutes - 4th March 2014

RESOLVED – That the minutes of the meeting held on 4th March 2014 be approved as a correct record.

42 Constitutional Provision for Community Committees

The Assistant Chief Executive (Citizens and Communities) submitted a report which requested that the Committee recommended to full Council the changes to the constitution necessary to effect the change from the current Area Committee arrangements to the proposed Community Committee model allowing greater freedom to engage in the locality in the manner most suited to the neighbourhoods, citizens and communities represented. In doing this the report set out the outcome of consultation in relation to the new

community committee arrangements, which followed the resolutions of Executive Board made on 18th December 2013.

An amendment to Article 10, detailed in the submitted report was moved, the Kirkstall Ward be transferred from the boundary of the North West (Inner) to the boundary of the West (Inner) Community Committee. This amendment was proposed to balance the respective Community Committee membership owing to the increased responsibilities of Community Committees. All Members present agreed to this amendment.

RESOLVED – The Committee resolved to recommend that:

- (a) The amendments to the constitution detailed within the submitted report and appendices A to C be considered by full Council subject to the amendment to Article 10 detailed above.
- (b) The principles set out in Annexes 1 and 2 of the submitted report be noted.

43 Review of all Polling Districts, Polling Places and Polling Stations

The Head of Licensing and Registration presented his report which sought to agree the process and timetable for the Review of Polling Districts, Places and Stations.

Members discussed accessibility to polling stations and noted that this will be fully considered at the next meeting of the Electoral Working Group.

RESOLVED – The Committee resolved to:

- (a) Agree the process for the Review of Polling Districts, Places and Stations as set out in the submitted report;
- (b) Agree the timetable for the Review as set out at Appendix A of the submitted report; and
- (c) Agree that Elections Working Group will be used as a working group to discuss the results of any representations received in response to both consultation exercises, and provide recommendations for General Purposes Committee's consideration as set out in the submitted report.

44 Webcasting of Council Meetings

The City Solicitor submitted a report which set out the background and provided information on the webcasting of Council meetings during the last

Municipal Year. The purpose of the report was to seek Member's views on whether Council meetings should continue to be webcast and, if so, asked Members to determine the period of time by which the existing contract should be extended.

RESOLVED – The Committee resolved to agree to continue webcasting Council meetings and approve the Officer recommendation of an extension of a 12 month period.

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Report of Chief Officer HR

Report to General Purposes Committee

Date: 29th July 2014

Subject: HR Challenges 2014 – Proposed Changes to Terms and Conditions

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: 10.4 (4) and (5)		
Appendix number: 3		

Summary of main issues

1. The Council is facing a significant financial challenge over the next 18 months, which will undoubtedly impact on the delivery of Council services resulting in significant job losses unless the Council can do things differently. Part of the measures being put forward to reduce the impact on the workforce is a number of proposed changes to employment terms and conditions.
2. Consultation with the Trade Unions (TUs) about how we can work together to reduce staffing costs has been ongoing for a number of months resulting in a number of proposals to changes terms and conditions, as outlined in Appendix 1.
3. In the absence of a collective agreement being reached with the TUs the Council needs to decide if and how these proposed changes should be put into effect.

Recommendations

4. General Purposes Committee is recommended to:
 - Note the contents of this report and consider the detailed legal advice in exempt Appendix 3.
 - Note the continued consultation with the TUs with a view to trying to reach a collective agreement.

- Resolve to agree the changes to terms and conditions outlined in paragraph 3.3.3 of the main report and detailed in appendix 1 to the report.
- Agree that the new proposals will be put into effect for new starters to the Council as soon as practicable after the 1st August 2014. For current staff offered new contracts following internal changes, the new terms would apply from 1st September 2014.
- Note, in the absence of a collective agreement, for current staff the options available to implement these proposals are: to seek individual consent; to give notice of the changes; or to dismiss and immediately re-engage staff on new terms and conditions of employment. Different options may apply to each proposal and to all or groups of affected staff in scope.
- To note, subject to decisions reached by the committee, that authority to implement these changes rests with the Deputy Chief Executive in accordance with the approved delegation scheme

1 Purpose of this report

- 1.1. To seek approval from General Purposes Committee to changes to employment terms and conditions as outlined in Appendix 1.

2 Background information

- 2.1 The Council is facing an unprecedented financial challenge over the coming years. By 2016 / 17 the funding will have reduced by £170m, which equates to a 43% reduction in real terms. The Council's budget for 2014/15 indicates that employment costs need to reduce by the equivalent of approximately 200 full time equivalents (FTEs). However, the funding gap for 2015/16 and 2016/17 means the total reduction in the workforce will be even greater.
- 2.2 It is anticipated that some of the required employment cost savings may be achieved through the Early Leaver Initiative (ELI) scheme and normal staff attrition but these will be insufficient to bridge the funding gap the Council is facing.
- 2.3 A series of meetings have been held since July 2013 with the TUs, leading to a more intensive consultation period since mid-February 2014 with the Council's lead convenors and regional organisers to consult in detail about ways in which changes to terms and conditions could reduce employment costs, to reduce the possibility of compulsory redundancies.

3 Main issues

- 3.1 It is the TUs collective view that savings can be achieved through a ban on non-essential agency staff and further spend on consultants, an external freeze on recruitment, a reduction in overtime worked, freeze on the creation of senior management posts, reducing overtime, continuing to release staff voluntarily under the Early Leaver Initiative (ELI), greater emphasis on retraining to fill essential vacancies, redesigning services, longer term staff resourcing planning and deleting funded vacant posts from structure. Whilst significant progress has been made in reducing employment costs in these ways, focussing on these alone is neither sustainable nor practical and it is not believed that they will deliver the required employment costs reduction by 2016/17.
- 3.2 The TUs' position gives an indication that a collective agreement on the proposals may not be reached, which is reinforced by the fact that they are not currently willing to enter into negotiations regarding changes to terms and conditions as an alternative to compulsory redundancies. Whilst consultation with the TUs continues, if an agreement is not reached the Council needs to consider how these proposals are taken forward.
- 3.3 Proposal
 - 3.3.1 In January 2014 Members and senior officers met with the TUs to put forward a number of proposed changes to terms and conditions. In addition to the proposals outlined in Appendix 1 the original proposal also included:

- Considering changes to premium rates of pay (overtime rates weekend enhancements, shift allowances etc.)
- Freezing salaries at current levels and not applying future incremental progression
- Introducing spot salaries for new starters
- Removing the Excess Travel policies
- Changing subsistence rates

3.3.2 HR has worked closely with key stakeholders to undertake an impact analysis of implementing the original proposed changes to terms and conditions on key occupational groups and taken on board their feedback. Given the impact these wider proposals would have on lower graded roles, which would have been counterproductive to the Council's commitment to addressing low pay and involvement in the ongoing regional work to try and implement the Living Wage, the Council is only proceeding with the **proposals** outlined in **Appendix 1**, which was presented to the trade unions on 19th June 2014.

3.3.3 To summarise, the revised proposals therefore includes the following:

1. Removal of existing pay protection arrangements with no new pay protection policy going forward.
2. Replacing Managing Workforce Change with a Managing Staff Reductions (Redundancy) Policy. This includes removal of the current 4 month supernumerary period so that anyone entering the process will receive a 3 months' notice period only.
3. Changes to Transport allowances including;
 - i. Introducing Her Majesty's Revenue and Customs (HMRC) mileage rates for all casual users, and also for essential users where the current rate is higher than the HMRC rate. The current HMRC rates are 45p per mile for the first 10,000 miles and 25p per mile thereafter, compared to the highest current LCC mileage rate of 65p per mile (i.e. our current rate is 20p per mile above the government's national figure for tax purposes)
 - ii. Changing the eligibility criteria for the essential car user allowance. There are currently approximately 1500 staff who receive the essential car user payment, and under the proposal, only specified roles (and within that, those which meet a minimum mileage threshold) will continue to receive the payment
 - iii. Removing free / subsidised city centre parking permits by increasing the cost of a permit to the market rate. The market rate will be comparable to Woodhouse Lane car park, which is currently £300 per quarter.

The revised proposals will be underpinned by the implementation of a flexibility protocol to facilitate a more flexible and agile deployment of resources to meet the Best Council priorities.

Incremental progression will also be withheld where there is an adverse report on an employee.

- 3.3.4 These proposals affect all staff in scope as detailed in section 3.4.5 below. However, there will be a more immediate financial impact on a smaller proportion of the workforce resulting from one or more of the following proposed changes; Loss of pay protection (approximately, 350 employees are currently receiving various amounts of pay protection arising from current and historic pay arrangements). Loss of essential car user allowance (approximately 400 staff currently benefit from essential car user allowance but will not meet the revised eligibility criteria). Changes to mileage rates (approximately 2500 casual car users claim each month although not all of these will be regular claimants). Increase in the cost of car parking permits will affect approximately 180 staff.
- 3.3.5 The revised proposals would appear to have a minimal impact on non-teaching schools based staff. It is therefore proposed that existing pay protection arrangements for non-teaching schools based staff will be discussed locally.
- 3.3.6 Although provisions such as pay protection, Managing Workforce Change and enhanced transport rates are perhaps rare in the private sector, they have been applied historically in local government. These proposals are likely to be strongly resisted as the Trade Unions have fought at both national and local level to protect terms and conditions. However, the benefits of the proposed changes will result in efficiencies in how the Council deploys staff, works more flexibly to meet changing demands and manages its' workforce reductions more effectively.

3.4 Implementation

- 3.4.1 The TUs were asked to confirm their formal position to the Council by 4th July 2014 and a further meeting with Members and senior officers took place with the Trade Unions on 11th July to discuss this.
- 3.4.2 The TUs joint position is that they do not have a mandate from their members to enter into any negotiation about any detrimental changes to terms and conditions of employment. A further consultation meeting took place with the TU's on 17th July 2014 and the next one is planned for the 24th July 2014.
- 3.4.3 Given the TUs position in relation to engaging in consultation and negotiation on the proposals it may be that a collective agreement will not be reached. There are therefore a number of implementation options that can be considered in the event entering into a collective agreement is not possible. Individual consent could be sought in relation to all staff or some groups of affected staff. Notice of the changes could be given to staff. Alternatively all staff, or immediately affected groups of staff, could be dismissed and immediately reengaged on the new terms and conditions. Whilst a dismissal would be followed by immediate re-engagement on new terms taking such a step would need to be balanced against the impact this may have on engagement levels across the workforce.
- 3.4.4 The intention is to put these changes into effect these for staff in scope as soon as possible to realise the required financial savings. Dependent upon the implementation method the earliest these proposals can be implemented for

current staff is likely to be November 2014. It is recommended that the changes are implemented sooner for new starters; from 1st August 2014 for new starters to the Council and 1st September 2014 for current staff offered new contracts following internal changes (for example, job changes, acting up arrangements, temporary roles, and appointments following restructures).

- 3.4.5 Staff in scope are all LCC employees on permanent, temporary or fixed term contracts (including all staff who TUPE transferred into the Council) but excluding those employed directly by a school, and Public Health staff who are on 'Agenda for Change' terms and conditions. The proposals will also apply to centrally employed Teachers with the exception of the proposal in relation to pay protection arrangements. Their current national pay protection arrangements will still apply.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 As referred to above there has been ongoing consultation with the TUs over many months, including regular meetings with Members and senior officers, about the need to reduce employment costs and how we can work together to achieve the required savings.
- 4.1.2 The Council operates an arrangement called collective bargaining with recognised TUs in order to negotiate terms and conditions of employment for all Council employees whether they are a TU member or not. The Trade Unions have held mass meetings with their members and their views have been fed back into the Members Steering Group meetings.
- 4.1.3 In addition to the above there have been regular updates from the Chief Executive including blogs and all staff emails. All staff have been offered the opportunity to feedback and ask any questions in response to these communications

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Due regard has been given to equality and a copy of the full **equality impact assessment** can be found at **Appendix 2** to this report.
- 4.2.2 Overall, the proposals will reinforce a sense of fairness and equality across the workforce

4.3 Council policies and City Priorities

- 4.3.1 The proposed changes to terms and conditions have been developed to reduce employment costs, protect public services and wherever possible minimise the need to make compulsory redundancies.

4.4 Resources and value for money

- 4.4.1 The proposals save approximately £9m per annum. It is anticipated that these savings will enable the Council to, as far as possible, deliver the required workforce reductions in a more managed way on a voluntary basis.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 **Exempt appendix 3** is a copy of **the legal advice** on the options available to put these changes into effect in the absence of reaching a collective agreement.
- 4.5.2 Appendix 3 to this report is considered confidential under Access to Information Procedure Rule 10.4 (4) and (5) because it contains information in respect of consultation in connection with labour relations matters and which a claim to legal professional privilege could be maintained in legal proceedings. It is considered in these circumstances that the public interest in maintaining the exemption from publication outweighs the public interest in disclosing the information.

5. Risk Management

- 5.1 Please see exempt Appendix 3.
- 5.2 In the context of the mandate the TUs already have from their members to fight any detrimental changes to terms and conditions the TUs may ballot for some form of industrial action and contingency plans need to be considered to ensure service continuity.
- 5.3 Chief Officers have been consulted on these proposals and views have been sought on the potential service delivery impact of implementing these proposals.

6 Recommendations

General Purposes Committee is recommended to:

- Note the contents of this report and consider the detailed legal advice in exempt Appendix 3.
- Note the continued consultation with the TUs with a view to trying to reach a collective agreement.
- Resolve to agree the changes to terms and conditions outlined in paragraph 3.3.3 of the main report and detailed in Appendix 1 to the report.
- Agree that the new proposals will be put into effect for new starters to the Council as soon as practicable after the 1st August 2014 by contracting new starters on revised terms and conditions. For current staff offered new contracts following internal changes, the new terms would apply from 1st September 2014.
- Note, in the absence of a collective agreement, for current staff the options available to implement these proposals are: to seek individual consent; to give notice of the changes; or to dismiss and immediately re-engage staff on new terms and conditions of employment. Different options may apply to each proposal and to all or groups of affected staff in scope.
- To note, subject to decisions reached by the committee, that authority to implement these changes rests with the Deputy Chief Executive in accordance with the approved delegation scheme.

7. Background documents¹

7.1 Not applicable

8 Appendices

Appendix 1	Changes to Terms and Conditions - Formal Proposal
Appendix 2	Equality Impact Assessment
Appendix 3	Exempt - Implementation Options and Legal Advice Paper (not for publication)

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Appendix 1 - Changes to Terms and Conditions – Formal Proposal (19th June 2014)

Revised Proposal
<p>1. Pay Protection (<i>Savings – approx. £1m per annum</i>)</p> <ul style="list-style-type: none"> Remove all current pay protection arrangements – lifelong, MWC tiered and MWC 12 month pay protection. Remove pay protection policy for new and existing staff i.e. no future pay protection arrangements to be made
<p>2. Managing Workforce Change (<i>Savings - approx. £3.8m per annum over 3 years</i>)</p> <ul style="list-style-type: none"> Selection for redundancy through a redundancy policy (with selection criteria) Remove the 4 month supernumerary period 3 month notice period for everyone Continue to calculate redundancy pay using uncapped actual weekly pay rather than the limited statutory cap of £464
<p>3. Transport</p> <p>HMRC Mileage Rates (<i>Savings – approx. £675k per annum</i>)</p> <ul style="list-style-type: none"> HMRC mileage rates for casual users at 45p per mile For essential users pay lower of essential user or HMRC mileage rate – please see below <p>Essential Car User Allowance (<i>Savings – approx. £750k per annum</i>)</p> <ul style="list-style-type: none"> Services to continue to carry out annual reviews of essential user as normal and remove any where individual doesn't meet the criteria Change criteria so linked with car being essential for role <u>and</u> with a minimum mileage criteria, i.e. specify roles that will continue to receive essential car user allowance due to this being service critical e.g. social work (mileage criteria may vary depending on post) and remove payment from staff who do not meet the criteria. Consider no essential user for new starters even in service critical posts Freeze lump sum and mileage rates at current rates Pay lower of essential user or HMRC rate <p>City Centre Car Parking Permits (<i>Savings – approx. £139k per annum</i>)</p> <ul style="list-style-type: none"> Remove all free and subsidised city centre parking permits and increase the monthly charge per permit to reflect the market rate (based on Woodhouse Lane rates)

Flexibility (*Savings – approx. £2.5m or approx. 10% of agency and overtime costs*)

- Protocol to facilitate more flexibility of role / location / working patterns to reduce the need for recruitment and spend on agency / overtime.

Other

- No new Dir 40% graded posts created due to the salary overlap with NJC PO6 grade
- In line with national terms and conditions withhold incremental progression where there is an adverse report on an employee

Total Savings – approx.£9m**Removed from Original Proposal****Premium / Non-standard pay arrangements (*Savings – approx. £5m per annum*)**

- Significant reductions to current arrangements (“Part 3” of the Green Book, e.g. weekend enhancements, shift payments, overtime rates etc.)

Spot Salaries (*Savings – approx. £3.8m*)

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- Remove incremental progression for all staff
- Appoint new starters on Spot salaries at the bottom

Excess mileage (*Savings – approx. £131k per annum*)

- Allow current arrangements to run their course (max. 4 years; most terminate within 2 years)
- Remove current policy so no new cases

Changes from Original Proposal**Managing Staff Reductions**

- Statutory notice replaced with 3 month notice period for all staff
- Redundancy pay calculated using the statutory limit for a weeks pay (currently £464 per week)

Pay Protection

- All pay protection to cease at a fixed date rather than reducing / phasing out over a 6 month period

Equality, Diversity, Cohesion and Integration Impact Assessment - Organisational change impacting on the workforce

As a public authority we need to ensure that all organisational change arrangements impacting on the workforce have given proper consideration to equality, diversity, cohesion and integration. In all appropriate instances we will need to carry out an equality, diversity, cohesion and integration impact assessment.

This form:

- can be used to prompt discussion when carrying out your impact assessment
- should be completed either during the assessment process or following completion of the assessment
- should include a brief explanation where a section is not applicable

Directorate: Strategy and Resources	Service area: Human Resources
Lead person: Gemma Taskas	Contact number: (0113) 224 3707
Date of the equality, diversity, cohesion and integration impact assessment: January – end of June 2014	

2. Members of the assessment team:

Name	Organisation	Role on assessment team e.g. service user, manager of service, specialist
Gemma Taskas	LCC	HR Strategy rep.
Mej Chaudhry	LCC	HR Strategy rep.
Nicola Illingworth	LCC	HR Local Team – Strategy and Resources
Julie Carter	LCC	HR Local Team – Environments and Housing
Helen Fallows	LCC	HR Local Team – Children's
Yvonne Reynolds	LCC	HR Local Team – City Development

3. Summary of the organisational change arrangements to be assessed:

HR Challenge – Proposals to Change Terms and Conditions of Employment

The Council is facing an unprecedented financial challenge over the coming years. By 2016 / 17 the Council's funding will have reduced by £170m, which equates to a 43% reduction in real terms. Everyone has been tasked with trying to make savings across all Council spend in order to protect vital public services. Over 40% of the Council's budget is spent on employment costs. The Council remains committed to doing everything it can to avoid the need to make compulsory redundancies and is therefore considering other ways savings can be made on employment related costs. Inevitably this means looking at changes to terms and conditions.

A number of proposals have been put forward for consultation with the Trade Union resulting in a formal proposal being presented on 19th June 2014 with a further discussion on 25th June 2014.

In summary, the formal proposal includes 3 main changes:

1. Removing existing pay protection arrangements with no pay protection policy going forward.
2. Replacing the current Managing Workforce Change Policy with a Managing Staff Reductions Policy based on a redundancy approach
3. Changes to travel arrangements including essential car user payments, implementing HMRC mileage rates and removing free / subsidised city centre car parking permits.

In addition to this existing flexibility clauses in employment contracts will be exercised to enable a more agile, responsive and flexible workforce.

Increments will also be withheld where there is an adverse report on an employee.

4. Scope of the equality, diversity, cohesion and integration impact assessment

4. organisational change

(please tick all appropriate boxes that apply below)

Restructuring and assimilation	<input type="checkbox"/>
Re-organisation and job re-design	<input type="checkbox"/>
Flexible deployment	<input type="checkbox"/>
Early Leavers Initiative	<input type="checkbox"/>

Cessation of a service	<input type="checkbox"/>
Downsizing of a service	<input type="checkbox"/>
Switching	<input type="checkbox"/>
Recruitment	<input type="checkbox"/>
Equal pay considerations	<input type="checkbox"/>
Job evaluation	<input type="checkbox"/>
Any other organisational change arrangements	<input checked="" type="checkbox"/>

Please provide detail:

Proposed changes to employment terms and conditions including:

- Removing current pay protection arrangements with no pay protection policy going forward
- Replacing Managing Workforce Change with a Managing Staff Reductions policy based on a redundancy approach.
- Changes to travel allowances including; implementation of HMRC mileage rates, review of essential car user allowance and removing free / subsidised city centre car parking permits.
- Making use of flexibility clauses in employment contracts by developing a flexibility protocol to support and enable a more agile, flexible workforce.
- Withholding incremental progression where there is an adverse report on an employee.

4a. Do your proposals relate to: please tick the appropriate box below	
The whole service	<input type="checkbox"/>
A specific part of the service	<input type="checkbox"/>
More than one service	<input checked="" type="checkbox"/>
Please provide detail: <p>The proposals will affect all the Council's workforce with very limited exemptions. All LCC employees excluding those employed directly by a school and former Public Health staff who TUPE transferred into the Council in 2013 and remain on 'Agenda for Change' terms and conditions</p> <p>All the proposals will also apply to centrally employed Teachers with the exception of the proposal in relation to pay protection arrangements. Their current national pay protection arrangements will still apply.</p>	

4b. Do your proposals relate to: please tick the appropriate box below	
Employment considerations only	<input type="checkbox"/>
Employment considerations and impact on service delivery	<input checked="" type="checkbox"/>
Please provide detail: <p>The proposals are changes to current terms and conditions and are therefore directly related to employment. The nature of some of these changes could impact on service delivery especially given proposed changes to travel arrangements however these are anticipated to be manageable and short term.</p>	

5. Fact finding – what do we already know

Make a note here of all information you will be using to carry out this assessment. This could include: previous consultation, involvement, research, results from perception surveys, equality monitoring and customer/ staff feedback.

(priority should be given to equality, diversity, cohesion and integration related information)

The following information has been considered when carrying out this assessment:

- Employment data from the SAP system covering all the protected characteristics has been collated and analysed in terms of the impact of these proposals. This has then been compared against the overall equality profile of the workforce. Where possible, information can be provided on request.
- Feedback from Trade Union colleagues throughout the ongoing consultation process, chief officer views and feedback along with staff feedback to the Chief Executive's blogs and emails, chief officer have also been used to inform this assessment.
- Current LCC policy and practice in relation to all of the proposals.
- A comparison of terms and conditions with other Local Authorities and private sector companies.
- ACAS guidance and best practice.

Are there any gaps in equality and diversity information

Please provide detail:

The employment data for each of the protected characteristics is potentially limited in some areas as the information held is based on the level of information shared by employees to the employer and may therefore not be a comprehensive representation of the workforce.

Flexibility protocol, the process for withholding increments when there is an adverse report on an employee and revised essential car user criteria are still being developed so it has not been possible to fully assess the impact.

Action required:

No action can be taken to proactively address this although there is ongoing activity to encourage people to provide and update equality monitoring information. However, this does need to be taken into account when considering the data.

Further due regard to be given to the flexibility protocol, the process for withholding increments where there is an adverse report on an employee and revised essential car user criteria when further developed.

6. Wider involvement – have you involved groups of people who are most likely to be affected or interested														
<input checked="checked" type="checkbox"/> Yes	<input type="checkbox"/> No													
Please provide detail: <p>The Council operates an arrangement of collective bargaining with recognised Trade Unions in order to negotiate terms and conditions of employment for Council employee. There has therefore been ongoing consultation and engagement with Trade Unions about the proposal and nominees were sought to be involved in carrying out the equality impact assessment.</p> <p>Feedback has also been sought from Chief Officers about the impact on both staff and service delivery arising from the implementation of these proposals. Staff feedback to the Chief Executive's blogs and 'all staff' emails has also been taken into account in when putting together the proposed changes to terms and conditions.</p>														
Action required: <p>Any arising issues fed back into the further development of these proposals.</p>														
7. Who may be affected by this activity? please tick all relevant and significant equality characteristics, stakeholders and barriers that apply to your strategy, policy, service or function														
Equality characteristics <table style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 33%; text-align: center;"><input checked="checked" type="checkbox"/> Age</td> <td style="width: 33%; text-align: center;"><input checked="checked" type="checkbox"/> Carers</td> <td style="width: 33%; text-align: center;"><input checked="checked" type="checkbox"/> Disability</td> </tr> <tr> <td style="text-align: center;"><input checked="checked" type="checkbox"/> Gender reassignment</td> <td style="text-align: center;"><input checked="checked" type="checkbox"/> Race</td> <td style="text-align: center;"><input checked="checked" type="checkbox"/> Religion or Belief</td> </tr> <tr> <td style="text-align: center;"><input checked="checked" type="checkbox"/> Sex (male or female)</td> <td style="text-align: center;"><input checked="checked" type="checkbox"/> Sexual orientation</td> <td></td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/> Other</td> <td colspan="2"></td> </tr> </table> <p>(Other can include – marriage and civil partnership, pregnancy and maternity, and those areas that impact on or relate to equality: tackling poverty and improving health and well-being)</p>			<input checked="checked" type="checkbox"/> Age	<input checked="checked" type="checkbox"/> Carers	<input checked="checked" type="checkbox"/> Disability	<input checked="checked" type="checkbox"/> Gender reassignment	<input checked="checked" type="checkbox"/> Race	<input checked="checked" type="checkbox"/> Religion or Belief	<input checked="checked" type="checkbox"/> Sex (male or female)	<input checked="checked" type="checkbox"/> Sexual orientation		<input type="checkbox"/> Other		
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<input type="checkbox"/> Other														
Please specify Stakeholders <table style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 33%; text-align: center;"><input type="checkbox"/> Services users</td> <td style="width: 33%; text-align: center;"><input checked="checked" type="checkbox"/> Employees</td> <td style="width: 33%; text-align: center;"><input checked="checked" type="checkbox"/> Trade Unions</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/> Partners</td> <td style="text-align: center;"><input checked="checked" type="checkbox"/> Members</td> <td style="text-align: center;"><input type="checkbox"/> Suppliers</td> </tr> </table>			<input type="checkbox"/> Services users	<input checked="checked" type="checkbox"/> Employees	<input checked="checked" type="checkbox"/> Trade Unions	<input type="checkbox"/> Partners	<input checked="checked" type="checkbox"/> Members	<input type="checkbox"/> Suppliers						
<input type="checkbox"/> Services users	<input checked="checked" type="checkbox"/> Employees	<input checked="checked" type="checkbox"/> Trade Unions												
<input type="checkbox"/> Partners	<input checked="checked" type="checkbox"/> Members	<input type="checkbox"/> Suppliers												

☐

Other please specify

Potential barriers.

☐

Built environment

☐

Location of premises and services

☒

Information and communication

☐

Customer care

☐

Timing

☐

Stereotypes and assumptions

☐

Cost

☒

Consultation and involvement

☐

specific barriers to the organisational change proposals

Please specify

8. Positive and negative impact

Think about what you are assessing (scope), the fact finding information, the potential positive and negative impact on equality characteristics, stakeholders and the effect of the barriers

8a. Positive impact:

Flexibility – making use of existing flexibility clauses in employment contract will help safeguard jobs and whilst also providing retraining opportunities, potential for career development and career progression

Pay protection – removing current pay protection arrangements and not having a pay protection policy going forward will ensure all staff are paid the rate for the job they are employed to do and will reinforce a sense of fairness across the organisation.

Managing Staff Reductions – offering 3 months' notice to all staff rather than statutory notice (i.e. between 4 – 12 weeks dependent upon length of service) will result in all staff, regardless of age and length of service, being offered the same period to seek alternative employment if they find themselves in a redundancy situation.

Travel

Essential car user allowance – reviewing criteria will ensure a sense of fairness in the application of essential car user status whereby in circumstances where a car is not essential for someone to efficiently and effectively carry out their duties they will no longer receive the allowance.

<p>Action required:</p> <p>Flexibility – develop a protocol to support a flexible workforce.</p> <p>Managing Staff Reductions – amend Managing Staff Reductions Policy to give all staff 3 months’ notice.</p> <p>Essential car user allowance – develop new criteria centre around the use of a car being service critical. Establish central controls to ensure there is consistency in how the criteria are applied. Further due regard to be given to equality once criteria is determined.</p>
<p>8b. Negative impact:</p> <p>Changes to part 3 premium payments – analysis of employment data indicated this would have a greater impact on the lower paid, predominantly female, part time workforce.</p> <p>Spot salaries and freezing increments – analysis of the employment data indicated this would have a greater impact on the lower paid workforce and would be counterproductive to the Council’s commitment to addressing the low pay agenda across the City and Region.</p> <p>Pay Protection – removing current pay protection arrangements will result in a pay reduction for a small % of the workforce.</p> <p>Flexibility – changing role, location, working hours could have a potential impact on carers and this needs to be taken in account when considering what is ‘reasonable’ in terms of flexibility.</p> <p>Managing Staff Reductions – moving away from the current provision of 4 months supernumerary period plus a 3 month notice period for everyone regardless of length of service to statutory notice will impact on new starters to the organisation more if they find themselves at risk of redundancy and there is therefore the potential for this to have a negative impact on the younger workforce</p> <p>Travel</p> <p>City Centre Permit Holders – increasing the monthly charge to match the market rate will result in an increase charging for a small % of the workforce.</p> <p>Essential car user allowance – Reviewing essential car user criteria will result in some existing essential car users losing the essential car user allowance when the use of a car is not considered service critical for their role Currently, there are more female staff classed as essential users due to the occupational groups that currently receive the allowance. Further due regard to equality will be given once the revised criterion have been established</p> <p>HMRC Approved Mileage Rates – this has the potential to impact on the entire workforce as all staff could use their car for business purposes and be reimbursed as a casual user.</p>

Action required:
<p>Changes to part 3 payments – removed from the proposal.</p> <p>Spot salaries and freezing increments – removed from the proposal.</p> <p>Pay protection – remind those currently in receipt of pay protection that they can enter the Council's talent pool and seek job opportunities at or nearer to their protected earnings to maintain their current earnings level.</p> <p>Flexibility – develop a protocol to support a flexible workforce. Try and determine what is reasonable and confirm how flexibility will work in practice.</p> <p>Managing Staff Reductions – give all staff a 3 months' notice period rather than moving to statutory notice periods.</p> <p>Travel</p> <p>City Centre Car Parking Permits – continue to apply existing practices in relation to pro rata charging to meet part time requirements and considering permits as a reasonable adjustment for disabled staff in some circumstances.</p> <p>Essential car user allowance – further due regard to equality to be given when the revised eligibility criteria is developed. Consider application of existing practice in terms reasonable adjustments for disabled people</p>

9. Will this activity promote strong and positive relationships between the groups/communities identified?
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <input checked="" type="checkbox"/> Yes </div> <div style="text-align: center;"> <input type="checkbox"/> No </div> </div> <p>Please provide detail: It is anticipated these changes will reinforce the sense of fairness across the workforce</p>
Action required:
None identified

10. Does this activity bring groups/communities into increased contact with each other (e.g. in schools, neighbourhood, workplace)?
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <input type="checkbox"/> Yes </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> No </div> </div> <p>Please provide detail:</p>
Action required:
None identified.

11. Could this activity be perceived as benefiting one group at the expense of another?	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Please provide detail: The proposed changes to terms and conditions will apply to all LCC employees with very limited exemptions and will therefore be applied consistently to all existing and new employees.	
Action required: None identified.	

12. Equality, diversity, cohesion and integration action plan

(insert all your actions from your assessment here, set timescales, measures and identify a lead person for each action)

Action	Timescale	Measure	Lead person
Amend proposal <ul style="list-style-type: none"> Remove changes to part 3 payments Remove spot salaries and freezing increments Amend Managing Staff Reduction policy to a 3 month notice period for all staff 		Proposal document and Managing Staff Reduction Policy updated	HR team
Remind those currently in receipt of pay protection that they can enter the Council's talent pool and seek job opportunities at or nearer to their protected earnings to maintain their current earnings level.	Early June	Letter to all affected staff	HR team
Develop a protocol to support a flexible workforce. Try and determine what is reasonable and confirm what flexibility means in practice	Mid July	Develop a draft flexibility protocol document	HR team
City Centre Car Parking Permits – continue to apply	Ongoing		HR team

Action	Timescale	Measure	Lead person
existing practices in relation to pro rata charging to meet part time requirements, considering permits as a reasonable adjustment for disabled people in some circumstances			
Essential car user allowance – further due regard to equality to be given when the revised eligibility criteria is developed. Consider application of existing practice in terms reasonable adjustments for disabled people	Mid July	EIA on revised eligibility criteria and impact	HR team

13. Governance, ownership and approval

State here who has approved the actions and outcomes from the equality, diversity, cohesion and integration impact assessment

Name	Job Title	Date
Joss Ivory	Head of HR	27 th June 2014
Date impact assessment completed		26 th June 2014

14. Monitoring progress for equality, diversity, cohesion and integration actions (please tick)

- ☐ As part of Service Planning performance monitoring
- ☒ As part of Project monitoring
- ☐ Update report will be agreed and provided to the appropriate board
Please specify which board
- ☐ Other (please specify)

15. Publishing

Though **all** key decisions are required to give due regard to equality the council **only** publishes those related to **Executive Board, Full Council, Key Delegated Decisions** or a **Significant Operational Decision**.

A copy of this equality impact assessment should be attached as an appendix to the decision making report:

- Governance Services will publish those relating to Executive Board and Full Council.
- The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions.
- A copy of all other equality impact assessments that are not to be published should be sent to equalityteam@leeds.gov.uk for record.

Complete the appropriate section below with the date the report and attached assessment was sent:

For Executive Board or Full Council – sent to Governance Services	Date sent:
For Delegated Decisions or Significant Operational Decisions – sent to appropriate Directorate	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent:

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