

Briefing Note to Executive Team

Directorate:	HR/OD
Subject:	Review of the Council's Terms and Conditions (Single Status Agreement)
Date:	13 February 2024

Purpose of Briefing Note

- 1) To inform the Executive Team of the reasons for, and proposed amendments to NCC terms and Conditions – (Single Status Agreement).
- 2) To seek approval for the proposed amendments that carry an associated cost
- 3) To seek approval to start negotiations with the Trade Unions with a view to revised T&C's being implemented from 1 April 2024.

Background

The Council implemented its Single Status and Job Evaluation agreement in November 2011 following a lengthy job evaluation and resulting negotiation process. Single Status was introduced in response to a spate of equal pay claims raised nationally against multiple local government employers stretching back as far as the mid 1990s. Single Status was intended to resolve long standing issues arising from disparate treatment based on sex eg male staff working in highways being paid bonuses whereas female staff were not. This was achieved through evaluation of all roles in accordance with the Local Government Single Status Job Evaluation Scheme (Part 4 NJC Green Book).

Single Status also considered wider terms, conditions and allowances, some of which were locally agreed variations on the NJC Green Book.

Some addendums to the 2011 agreement were necessary in early 2012 in order to clarify some points around overtime and standby/callout payments.

In 2019, the then Executive team asked for the agreement to be reviewed. Negotiations duly commenced with recognised Trade Unions but reached an impasse. Agreement could not be reached in regard to a proposal that enhanced rates of pay for overtime/weekend working should be removed.

The Trade Unions made it clear that they would not agree to the proposal and there was nothing available to management that could be offered to offset the impact of the proposal. The onset of the Covid pandemic in March 2020 caused negotiations to halt. Between March 2020 – August 2020, the position of the Chief Executive and Deputy Chief Executive toward the removal of enhanced overtime rates softened, but no formal go ahead was given to resume negotiations.

The agreement has required an urgent review for the following reasons;

- 1) 'Single Status' is now an historic term that holds no meaning or relevance in the wider context of NCC terms and conditions.
- 2) There are parts of the agreement that can be interpreted in different ways depending on the way it is read. This creates inconsistency and confusion.
- 3) There are current cumbersome processes brought about as a result of the agreement that are bureaucratic and time consuming and lead to significant delays in the processing of employees claims.
- 4) Some elements are based on the technological restraints as they existed in 2011 (i.e. the payroll system and overtime being paid in 30 minute chunks).
- 5) 'Overall allowance' is still in payment and was noted as 'ceased subject to policy review' but is still in payment.
- 6) Which pay bands can claim enhanced rates of pay needs refreshed and clarified.
- 7) Standby payments in particular have not kept pace with increases in base pay and, following a thorough benchmarking exercise, it is clear that the Council are significantly behind neighbouring authorities in the amounts paid. This is leading to unrest in some areas with staff threatening to cease providing out of hours cover. This creates significant service risk.
- 8) Despite its comprehensive nature, there remains other aspects where there is no clear, current or agreed position. A refresh would offer the opportunity to bring clarity eg Bank Holidays and subsistence allowances
- 9) Other items identified and requested by the Trade Unions in 2019 have not been addressed.

Main Recommendations for EMT Approval

A full summary of the terms and conditions that are to be reviewed, with expanded detail for Standby/callout and Bank Holidays is attached as appendix 1.

Below are the key points for consideration as they have the most significant direct, or indirect, financial impact.

1) Standby and Callout

In 2011 the Standby payment was £20 (which was 1.8x the average hourly rate) and it is now £24.28 (which is 1.4x the average hourly rate). It is only paid at a higher rate on Bank Holidays. If you are on standby, you cannot claim callout (which is a minimum of 2 hours pay).

Compared to data gathered from neighbouring authorities, Northumberland are the lowest paying in terms of standby, but through the week it is not too far short of others. However, on weekends we pay the same rate whilst others pay a significantly higher amount.

89% of standby use is in the Place and Regeneration directorate, including winter maintenance work, and the total spend for the 12 months to the end of December 2023 was £511k (of which £255k was for Winter Services). That equates to, on average, approximately 59 people every day being on standby across the County.

Conversations have taken place with service managers to determine the appropriateness of this level of staffing. Service Managers advise that these levels are unavoidable. The main reasons for standby being necessary every day, even when no bad weather is anticipated are;

- Fulfilment of contract needs in Housing to deal with emergency situations for heating, plumbing, electrical work and joinery (i.e. boarding up broken doors/windows).
- In Highways and Neighbourhood Services, maintaining the roads around the County out of hours is essential. This is in respect of providing support for emergency services in the case of road incidents (i.e. shutting the road, putting diversions in place, cleaning up debris etc) as well as dealing with other daily occurrences such as clearing dead animals from the highway, unblocking gullies, removing other obstacles etc.

For winter services work in particular, there is no scope to consider not having staff on standby between October and April. Further detail provided by the Highways Delivery Manager is provided in Appendix 1.

Complaints around the amount of standby payment, especially for the weekend, have increased in Housing Services over recent months with participants stating that being paid £1 per hour to effectively give up their weekend and potentially not be called out is not attractive. Due to some poor TU advice being issued to the workforce following a JCC meeting in October, Housing staff briefly withdrew their services and have made it clear that should there be no change, they will likely withdraw out of hours work fully.

Other areas have not directly raised issue with the standby rate, but winter services are currently seeing a drop off in volunteers which is being, in part, attributed to the standby rate, especially at weekends.

Callout payments by comparison are barely used, with only £10k paid out in the 12 months to the end of October 2023.

Recommendation: It is recommended to increase the weekday call out rate to bring it back in line with the 1.8x the average hourly rate at £28.50, and then weekend/bank holiday rate to £42.75 which is the equivalent of time and a half. This would increase the annual cost by approximately £190k per annum. In terms of funding the increase, Highways would be able to increase their charges for work done for other services and estimate they could reclaim 10% of an increase in their area.

The pressing issue created by not increasing weekend rates and the workforce withdrawing their participation on the rota could result in Housing having to deliver out of hours services via private contractors.

When compared to the prices that Housing will need to pay to deliver out of hours services to residents of Northumberland that require emergency work current private costs as examples are:

- Lock change = £150
- Boarding up broken window/door = £150
- Electrical/Heating work = £100 per call plus labour costs

In spells of cold weather, when calls increase, it is estimated the provision of out of hours work via external sources for heating issues would cost in the region of £6k for one weekend alone.

On the basis that Housing average 1500 out of hours calls a year, to provide the services it currently does via private contractors, could cost upwards of £200k.

In addition, it is recommended to allow staff on standby to claim call out of 2 hours for their first job (with the current rules of being called out again in that 2 hours being part of the same payment).

On the basis that every £1 that standby increases it costs approximately £20k across the course of a year, for the purposes of negotiations with the TUs, it may be the desire that the weekend/bank holiday rate proposed is the top end and negotiations start at a lower point.

2) Staff eligible to be paid enhanced rates of pay

Currently the rules are that only staff up to Band 8 can receive enhanced rates of pay for overtime, or working at hours that attract the enhanced rates of pay.

Where there is a need for staff paid on Band 9 or above to also work at those times, it means that they can end up managing staff on lower substantive grades but who are paid more when the enhanced rate is applied to those staff.

Recommendation: It is recommended that staff up to Band 11 receive enhanced rates of pay for overtime or whilst working at times that attract the enhanced rates. The number of Band 9+ staff that have claimed overtime in the last 12 months is 79 and there are also approximately 50 managers who regularly work at times that attract an enhanced rate of pay. The majority of those 50 managers are in Adults and Children's that, through long standing exceptional arrangements to address staffing needs, are receiving the enhanced rate of pay which means there is inconsistency across the Council which could bring a risk of equal pay claims.

The increased potential cost is difficult to calculate but based on available information for those 79 people who have claimed, having paid them at time and a half would have increased the wage bill by approximately £125k per annum, spread over Adults, Childrens, Information Services, Finance and Highways.

Conversations with service managers have revealed that they think they would get more managers being willing to cover on weekends/evenings in the round the clock services were the enhanced rates of pay available to them, which in turn would provide additional resilience and support when situation arise that need senior input.

Should this be accepted, it would also dispense with the need for the **Planned and Exceptional** overtime forms which were designed to add a layer of review for Heads of Service and HR to ensure that overtime for Band 8+ was required. However, they have become a burden, requiring manager, HoS and HR to approve, prior to the HR support team putting them on a list for payroll to then check before a claim form can be processed. In most cases, the form is submitted after the work has been completed and permission is never denied.

3) Bank Holidays

Bank holiday entitlement and time off in lieu if working bank holidays is not clear in the single status agreement and the Senior HR Manager and the Council's Employment Lawyer have also challenged the LGA on the content of the 'Green Book' which is also unclear. That has resulted in the LGA acknowledging the points raised but not committing to do anything to clarify it, effectively suggesting we come to a local agreement.

This is necessary as despite efforts to ratify bank holidays in April 2022, there is still uncertainty in some areas. Bank Holidays are complicated when part time staff, shift working, 365 service delivery and shortened service delivery are involved, all of which impact the Council. We are currently perhaps acting in an over generous way in our interpretation of the green book (though we are not alone nationally in that) but in contrast, had previously not been awarding employees in some areas their proper entitlement for a number of years. It does though create pressures for 365 day services when trying to accommodate the extra accumulated leave.

Recommendation: It is recommended that the approach is simplified as much as possible to reduce the administration on managers, whilst ensuring that staff are not getting more or less than they are entitled to when it comes to leave, Bank Holidays and time back in lieu.

It is recommended that all staff continue to have their pro-rata Bank Holiday entitlement added to their leave balance at the start of the year, but then if a Bank Holiday falls on a normal working day for an individual (as identified within the leave system by having work patterns built in), that day is then deducted from their leave balance.

When a member of staff subsequently works on the bank holiday, they would get time back as per the NJC Green Book at either a full or half day, which is then reported by managers to HR who will adjust the leave balance in the system accordingly.

4) Subsistence Allowances

This is listed in the single status agreement as 'Excess Travelling and Disturbance Allowances' but no policy of that name exists. Two other policies do exist that cover the various allowances.

Recommendation: There is a need for a single separate policy which will be developed in line with this review, thereby removing it from the Single Status agreement.

Most elements would remain as they are, but current subsistence payments for expenses incurred when working away from usual home/office bases on Council business are based on HMRC rates. These have not been updated since 2016 and are unrealistic financially and antiquated in their outlay. I.e. if you are away for a full day and overnight you are able to claim:

Meal Allowances Note: <ul style="list-style-type: none"> • NC is the 'normal cost' of a meal and should be deducted from the allowance. • Only 50% of the allowance can be claimed if no valid receipt is submitted. 	<table border="0"> <tr> <td style="padding-right: 10px;">Breakfast</td> <td>£6.60 (NC £1.65) max payable with receipt £4.95, without receipt £2.48</td> </tr> <tr> <td>Lunch</td> <td>£9.11 (NC £2.28) max payable with receipt £6.83, without receipt £3.42</td> </tr> <tr> <td>Tea</td> <td>£3.60 (NC £0.90) max payable with receipt £2.70, without receipt £1.35</td> </tr> <tr> <td>Dinner</td> <td>£11.31 (NC £2.83) max payable with receipt £8.48, without receipt £4.24</td> </tr> </table>	Breakfast	£6.60 (NC £1.65) max payable with receipt £4.95, without receipt £2.48	Lunch	£9.11 (NC £2.28) max payable with receipt £6.83, without receipt £3.42	Tea	£3.60 (NC £0.90) max payable with receipt £2.70, without receipt £1.35	Dinner	£11.31 (NC £2.83) max payable with receipt £8.48, without receipt £4.24
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For example, in the majority of cases, if an individual attends an event in London or Manchester they might travel down the evening before, have their evening meal, but then will likely have breakfast provided at the hotel, lunch provided at the event and be home in time for their evening meal. As such, most people are only able to claim for 'dinner' and £8.48 will very rarely cover an evening meal. It is therefore the case that employees asked to go away on Council business are more often than not, left out of pocket by doing so.

The corporate travel bureau already operate outside of the allowances for hotel bookings (which are £103 for B&B outside of London and £117 inside London) and it is recommended that rather than give an unrealistic allowance for each meal, a daily allowance of £20 or £25 is given to help cover the cost of a meal and any incidental expenses (i.e. a bottle of water or hot drink).

In the last 12 months, there were 643 claims by 298 people with the average claim being £18. The system is unable to identify what each claim was for, but they ranged in value from 60p to £340. Giving a set daily allowance would reduce administrative burdens on both employee and payroll staff and would have a minimal impact on individual service budgets for those staff occasionally required to go away and represent the Council.

5) Sleep In Payments

The agreement states that they should cease, but would continue as part of a policy review. They have not ceased as of yet, have increased in line with the pay award each year and had not been included in the discussions in 2019 until the Trade Unions asked for them to be. However, they were asked to come back with a proposal on them which they had not at the point that the negotiations ceased.

It is proposed that sleep in payments are retained and reintroduced as being a term and condition. If the TUs raise any issue this time around it will be considered.

6) Rename the agreement

All references to 'single status' will cease in the new agreement and over time, any reference in policies/processes will be removed as they are refreshed. The new document will be called 'Northumberland County Council Terms and Conditions of Employment'.

Other recommendations for EMT Approval

Appendix 2 summarises the above, but also outlines the other parts of the Single Status agreement that require review. Most are the formal removal of ceased allowances or bureaucratic processes.

The language of the agreement also needs to be significantly improved to remove ambiguity.

Next Steps

Once a view has been formed and agreement has been reached on which of the above options might proceed, negotiations will commence with the Trade Unions. As there is nothing detrimental to staff (with the exception of the removal of overall allowance), it is not anticipated that they will be problematic and agreement could hopefully be reached by the end of March/early April 2024 with an aim to implement from 1 April 2024 (retrospectively if required).

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