

## **Workforce Efficiencies: Management Position – 9<sup>th</sup> August 2013**

There continue to be 2 sets of savings required:

- £72k on a permanent basis from 2014/15 onwards, plus
- £143k on a non recurrent basis in 2014/15 only

Having discussed and considered the various options explored with the Trade Unions, our position is currently set out below.

### £72k permanent savings

We are willing to continue discussions on the following options:

1. **Disturbance Allowance & Pay Protection** – our preferred solution continues to be changes to the allowances for pay protection and disturbance mileage such that they are payable for newly eligible employees for a maximum of 12 months only. All existing eligible employees will continue to receive payments under the current arrangements.  
**(saves £72k recurrent)**
2. **Removal of First Aider and Fire Warden allowances** – we have some concerns about the impact of this proposal on ability to recruit sufficient volunteers. We would only be willing to consider implementation if the TUs committed to active promotion of the need for First Aiders and Fire Wardens, with the fall back position that the TUs would find volunteers from within their membership should essential vacancies not be covered.  
**(saves £50k recurrent – further permanent savings required)**
3. **Changes to incremental payments** – a range of options exist to make savings on a permanent basis. See attached for more detail. This option has the potential to make considerable higher savings on a permanent basis than just £72k and could be used to count against further efficiency savings likely to be required in the likely future financial position for the Council.  
**(savings range from £24k - £240k on a permanent basis depending on the option chosen – see attached)**

We do not consider the following options to be practical solutions:

- **Permanent reduction in hours** – the Management position is that a permanent reduction in hours to achieve a £72k would have an impact on service delivery and would be problematic to implement. We are not supportive of this as an option for achieving the permanent savings.
- **Purchase of additional leave** – whilst we are interested in exploring this further with TUs, we do not have sufficient confidence that savings from this source could be sustainable in the long term.
- **Management of overtime** – we do not consider there to be any realistic opportunities to generate £72k permanent savings from tighter management of overtime than currently exists.

£143k non-recurrent savings (2014/15)

We are willing to continue discussions on the following options:

1. **Additional 1 day unpaid leave in 2014/15** – we are willing to consider this on a one-off basis although we are concerned that it could have impact on service delivery. Savings shown are net of the costs of cover. If this were to be the solution, our preference would be for a day's existing leave to be translated into unpaid on a one off basis. This would avoid the need for additional costs of cover.

**(savings of £120k net, with a potential further £50k if schools staff were able to be included. Savings would rise to £190k for non schools staff if a day's leave was treated as unpaid on a one-off basis)**

2. **Temporary reduction in hours** – We would still have reservations about this as a means of delivering the savings due to impact on service delivery but consider it to be slightly more manageable on a one-off basis. We do have concerns about how implementation would be managed and would need to see and consider specific proposals from the TUs.

Reduction would need to be 5 hrs 35 mins if schools based staff were excluded, falling to 4 hrs 25 mins if schools based staff were included.

**(savings of £143k based on hours shown above)**

3. **Backpay** – we are still open to discussing a later implementation date for the 2014/15 pay award, ie changing the date from which back pay accrues. We have calculated that an implementation date of mid June would deliver the required saving.

**(savings of £143k based on a 2.6 month implementation delay and inclusion of schools based staff)**

4. **Increments** – depending on the option chosen, the temporary savings could either be subsumed within the amount saved from a permanent change to incremental payments, or as a one-off saving derived from delayed payment of increments. See below for details.

**(savings of £124k could be achieved by delaying payment of increments in 2014/15 by 2 months, rising to £186k for 3 months delay)**

**NB:** A one year annual freeze (ie no incremental payments in 2014/15) would save £744k in 2014/15, a further £400k in 2015/16 and a final £200k in 2016/17.

We do not consider the following options to be practical solutions:

- **Purchase of additional leave** – an additional 300 members of staff would need to volunteer to purchase an additional 5 days leave where no additional cover costs would be required to generate £143k saving. We do not consider this to be realistic and would have concerns about impact on service delivery. We are, however, as noted above, to continue discussions with TUs on this for future possibilities.
- **Use of reserves**

We look forward to further discussion with the Trade Union representatives on the above options on 15<sup>th</sup> August.

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### Increments

#### Recurrent annual savings

Changing incremental payments from every 12 months to every 18 months  
£240k

Changing new starters to no increment unless worked for 12 months  
£78k

Annual savings for those moving jobs approx (figures still to be validated)  
£78k

#### Example

If someone started in June 2013 they would receive their increment in  
April 15 (1 year 10 months)

If someone started in March 2013 they would receive their increment in  
April 2014 (1 year 1 month)

Increment paid on Anniversary of starting date  
£24k

#### Non recurrent savings

Delaying payments to £62k	May 2014
£124k	June 2014
£186k	July 2014
£248k	August 2014
£310k	September 2014
£372k	October 2014

1 year freeze on increments in 2014/15  
£744k