

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

3 JULY 2013

REPORT OF THE CORPORATE DIRECTOR– RESOURCES

CONSULTATION WITH JNC OFFICERS REGARDING POSSIBLE CHANGES TO CONTRACTUAL TERMS AND CONDITIONS

1. Purpose of the Report

1.1. This report seeks to advise Members of the consultation process that has taken place on the proposal to change the terms and conditions of JNC Officers by :-

- Removal of the car lease entitlement
- Change of mileage rate to HMRC rates
- Removal of telephone allowance

2. Connection to Corporate Improvement Plan/Other Corporate Priority

2.1. The proposal links with the Council's corporate improvement priority "work together to make the best use of our resources".

3. Background

3.1 On local government re-organisation in 1996 the Council established a non-pensionable car lease scheme for JNC officers. Of fourteen JNC officers currently in post, eleven have within their terms and conditions an entitlement of a contribution by the Council of up to 12% per annum of their maximum annual salary towards a leased car. Only six JNC officers have currently opted to exercise their entitlement to a lease car. Five of the current lease agreements expire before 30 September 2013 and one is not due to expire until March 2015. Seven JNC officers receive a telephone allowance of £20 per month.

3.2 The Council has achieved a collective agreement with the recognised Trade Unions and will be changing the mileage rate for NJC officers to 47 pence per mile from 1 September 2013. Similarly all telephone allowances for NJC officers will be removed.

4. Current Situation / Proposal

4.1 The Chief Executive has conducted an extensive consultation with JNC officers and this has now concluded.

4.2 Since the consultation started two JNC officers have left the council, one of whom who was taking up the entitlement for a lease car. As a result only six of the eleven JNC officers who are entitled to a lease car are currently taking up that entitlement, taking between 4.9% and 11.7% of their entitlement at a cost to the Council of £48,000 per annum. One officer is due to retire at 31 August 2013. If all remaining ten officers, entitled at 1 September 2013, took up their maximum entitlement the total cost, including estimated national insurance contributions, would be £105,000 per annum.

4.3 During the meetings it became apparent that there was a general acceptance to the removal of the telephone allowance and a change to the mileage rate in line with all other officers within the Authority. However, in relation to the removal of the lease car entitlement this was the main area of concern and required extensive consultation with the officers concerned. Having considered all proposals put forward by the officer group we have now reached a position where we have an agreement on the following proposal:

- Lease car provision would end on 31 August 2013
- A compensatory lump sum payment equivalent to 12% of the maximum annual salary for the substantive post of the JNC officer would be paid in September 2013
- A mileage rate of 47 pence a mile would be payable on all business mileage from 1 September 2013
- Telephone allowances would be removed on 31 August 2013
- A compensatory lump sum payment equivalent to one year's allowance would be paid in September 2013 to officers who currently receive this allowance

Similarly Members will recall that Council previously agreed to a one year compensatory payment to NJC Officers entitled to lease cars.

4.4 In the event of the Council approving the changes to the terms and conditions of the JNC officers the process will be as follows:

- A letter to be sent to all JNC officers confirming the revised terms and conditions with effect from 1 September 2013
- A compromise agreement to be sent to each officer outlining that a payment based on the rate of 12% of salary is paid in a lump sum to compensate for the removal of the lease car entitlement. Subject to the compromise agreement being signed the payment will be made in September 2013.
- Within the same compromise agreement a further payment will be made equivalent to one year's allowance for the removal of the telephone allowance for those officers who are currently in receipt of this allowance.

This amounts to £240 for each officer and will also be paid in September 2013.

5. Effect upon Policy Framework & Procedure Rules

5.1 None.

6. Equality Impact Assessment

6.1 An Equality Impact Assessment has been undertaken which indicates that there are no equality implications in this process.

7. Financial Implications

7.1 The one off cost of the compensation payments will be £107,000. In addition there will be a fee for terminating one lease car contract early at a cost of £5,800 bringing the total one off cost to £112,800 of which £28,000 will be met from the existing 2013-14 budget with the balance being funded from the change management reserve. The removal of the entitlement of JNC officers to a lease car and to a telephone allowance will save the Council approximately £50,000 per annum from 2014-15 onwards. However, there will be an increase in mileage costs which based on a combined annual mileage of 20,000 for all JNC officers are estimated to be £7,000, giving a net recurring annual saving of £43,000.

8. Recommendation

8.1 That the Council accepts the changes to the terms and conditions for JNC officers

8.2 The Council gives authority for a compensatory lump sum payment equivalent to :

a) 12% of the maximum annual salary of each officer's substantive post for the removal of the lease car

b) A year's allowance for the removal of the telephone allowance

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Background documents:

Equality Impact Assessment