

# **CONSULTATION DOCUMENT**

## **Proposed Changes to Mileage Allowance and Pay Protection Arrangements**

**Date: 21<sup>st</sup> March 2016**

### **Circulation:**

All staff

Corporate Consultative Forum Members

Schools based staff via Gatekeeper

Headteachers via Gate Keeper

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For information only:

ARVATO, Cambridge Education, Slough Children's Trust, Slough Libraries

**PLEASE TAKE THE TIME TO READ THIS DOCUMENT AS IT MAY CONTAIN PROPOSALS WHICH WILL AFFECT YOU IN RESPECT OF YOUR ENTITLEMENT TO RECEIVE MILEAGE ALLOWANCE AND PAY PROTECTION.**

### **1. Introduction**

This document details the proposals to reduce workforce costs in response to budget constraints and the need to achieve savings:-

- Removing the £1,000 mileage allowance payable to staff upon completion of 1000 business miles in a tax year through a transitional arrangement as outlined in section 5.
- Reducing the pay protection period where an employee is redeployed to an alternative post one grade lower from 3 years to 1 year and to remove the Strategic Director discretion to apply some element of pay protection to those redeployed to posts more than one grade lower as outlined in section 5.

### **2. Affected Staff**

The proposals affect all directly employed staff within the Council. The majority of staff are employed under the National Joint Council 'Green Book' Conditions of Service. These and Joint National Committee for Chief Officers Conditions of Service will be affected by the proposals within this document.

Slough school-based support staff, where the Local Authority is the employer i.e. community and voluntary controlled schools, are also affected by these proposals.

A copy of these proposals will be provided via email and available on the intranet to all affected staff and the relevant recognised independent trade unions as part of the consultation process.

Staff are encouraged to make any comments on the proposals by no later than 4pm Friday 22<sup>nd</sup> April 2016.

Staff information sessions to go through these proposals will be held on

- Tuesday 29<sup>th</sup> March 2016 at 11am in Venus Suites 3&4, SMP
- Monday 4<sup>th</sup> April 2016 at 2pm in Conference Rooms 3&4, LMP

### **3. Background – The Need for Change**

As the Council's budgets reduces and demand for services increases, it is important we ensure our limited financial resources are available to meet the needs of the Council in the future.

To be responsive we need to be agile and cost effective. This includes the benefits and terms and conditions on which we employ staff, striking a balance between a competitive employment offer and value for money for local taxpayers.

In the current financial climate the Council has to look at ways to achieve savings and has made every effort to reduce workforce costs without reducing staff. This has been through various routes such as service transformation, partnering arrangements and accommodation changes.

The need to find further savings over forthcoming years has led to a further review of costs associated with the workforce. Both mileage allowances and pay protection periods have been identified as potential areas for savings. The following sections highlight the proposed changes to these two areas.

#### **3.1 Mileage Allowance**

The costs associated with mileage claims have been assessed and it has been identified that the £1,000 lump sum allowance paid to staff on reaching 1,000 business miles in a tax year is significant.

Further, these payments can be seen as a reward or incentive for achieving a high level of business miles and goes against the Council's policy on reducing carbon emissions.

Within the financial year 2014/2015, 277 members of staff triggered the £1,000 mileage allowance resulting in £277,000 being paid to staff across all services. As of December 2015, 149 members of staff triggered the allowance and £149,000 was paid to staff with more payments expected within the financial year 2015/2016. The majority of these staff did not complete significantly over the 1,000 miles. The withdrawal of the payment of £1,000 could mean a saving equivalent to 4.5 f.t.e posts paid at the top of salary level 5, based upon the above figure.

Whilst this payment has been seen as compensation for the car's wear-and-tear, this is already factored into the HMRC recommended mileage rates of 45p per mile for all business mileage undertaken. The Council currently pays and will continue to pay this recommended mileage rate for any business miles undertaken.

## **3.2 Pay Protection**

Where services have been reorganised and reduced, the Council has avoided compulsory redundancies, wherever possible, by pursuing natural change, redeployment and voluntary redundancy. Currently under the redeployment policy the Council protects an employee's salary for a period of 3 years if they are redeployed to a post which is one salary level lower than their current post. Having undertaken a comparison exercise, it has been identified that this arrangement is out of step with some other local authorities.

Within these arrangements, currently Strategic Directors have discretion to apply some element of pay protection where an employee is redeployed to a post which is more than one salary level lower than their current post. This discretionary element is subjective and does not promote consistency across the council and will be removed.

## **4. Purpose of Consultation**

Whilst the payment of the mileage allowance is subject to review, variation and discontinuance at the Council's discretion and/or in light of operational needs, and the pay protection period is not contractual, the Council are consulting with all affected staff.

In the spirit of staff engagement and in line with the values and behaviours the Council has adopted (in particular, being clear, open and listening to and valuing other people's opinions), the Council wish to engage in a consultation exercise with staff and the launch of this document is the start of this consultation process.

The purpose of this consultation is:

- to listen to your comments and suggestions
- to consider alternatives that meet the identified objectives
- to understand where there may be negative impact for staff that has not previously been considered and find ways of reducing that impact to a minimum

It will not be possible to reply to every individual response, however, all will be considered and generic responses provided.

## **5. Proposals**

The details of the proposals are outlined below:

- 5.1 Remove the £1,000 mileage allowance payable to staff upon completion of 1,000 business miles in a tax year with effect from 1<sup>st</sup> August 2016.

To minimise any hardship to staff, it is proposed to:

- give 12 weeks notice as of 9<sup>th</sup> May 2016 (subject to the outcome of the consultation) to allow staff time to plan and make the necessary adjustments to financial commitments where necessary;

and to offer

- a transitional arrangement whereby staff that reach 1,000 business miles by **1<sup>st</sup> September 2016** will be eligible to receive a £500 mileage allowance. After this date, no further payments will be made.

Further, in order to mitigate against the removal of this allowance the Council will be introducing a Car Salary Sacrifice Scheme which will be available to staff (subject to certain qualifying criteria). Under this scheme employees will be able to access a brand new, fully insured and maintained car and benefit from tax and national insurance savings through sacrificing a portion of their gross salary.

## 5.2 Reduce the pay protection period from 3 years to 1 year and to remove the Strategic Director discretion.

Consideration has been given to restructure consultations that may be underway or scheduled as follows:

- those affected by restructure consultations agreed by CMT and fully launched **before 1<sup>st</sup> June 2016** will retain the 3 years pay protection.
- those affected by restructure consultations agreed by CMT and launched **on or after 1<sup>st</sup> June 2016** will be subject to 1 years pay protection.

## 6. Counter proposals

Any counter-proposals or comments around the proposals from individuals or groups of affected staff and the trade unions should be put in writing to Christina Hefferon by email or post via Sarah Ricketts ([sarah.ricketts@slough.gov.uk](mailto:sarah.ricketts@slough.gov.uk) or OD/HR, 2<sup>nd</sup> Floor West, SMP) **by 4pm on Friday 22<sup>nd</sup> April 2016**.

Counter-proposals should aim to meet the objectives of helping to achieve budget savings.

Subject to the results of the consultation and the consideration of counter-proposals, it is intended to implement these proposals starting from **1<sup>st</sup> June 2016** (pay protection arrangements) and **1<sup>st</sup> August 2016** (mileage allowance) with the transitional arrangements set out above.

## 7. Consultation and opportunities to influence the proposal

These proposals will be subject to a 30 day consultation period with all staff and their accredited Trade Union Representatives. The consultation period commences on the 21<sup>st</sup> March 2016 and closes on the 22<sup>nd</sup> April 2016 at 4.00pm.

## 8. Communication with staff

All staff will be notified electronically (via email) of the release of this document and a copy of the document will be attached to the email. The document will also be available to read or download in printed form from SBC Insite. For staff without access to the IT system printed copies will be made available.

Should staff have individual questions or wish to discuss personal situations, 121 surgeries can be arranged throughout the duration of the consultation period at mutually convenient times. For Individual HR Surgeries please contact Andleeb Akhtar via email – [andleeb.akhtar@slough.gov.uk](mailto:andleeb.akhtar@slough.gov.uk).

Staff will be invited to submit responses to the consultation and although it will not be possible to reply to every individual response, all will be considered and generic responses provided. Where appropriate 'Frequently Answered Questions (FAQs)'s will be added to SBC Insite.

## 9. Proposed Implementation Timetable

The proposed timetable is outlined below:

Dates	Action
Monday 21 <sup>st</sup> March 2016	Commencement consultation. Proposals issued to affected staff and Trade Unions and circulated as per circulation list.
Tuesday 29 <sup>th</sup> March 2016	Staff Briefings <ul style="list-style-type: none"> <li>• 29<sup>th</sup> March 2016 at 11am in Venus Suites 3&amp;4, SMP</li> </ul>
Monday 4 <sup>th</sup> April 2016	<ul style="list-style-type: none"> <li>• 4<sup>th</sup> April 2016 at 2pm in Conference Rooms 3&amp;4, LMP</li> </ul>
Throughout consultation period	HR Surgeries - Should staff have individual questions or wish to discuss personal situations, 121 surgeries can be arranged throughout the duration of the consultation period at mutually convenient times.  For Individual HR Surgeries please contact Andleeb Akhtar via email – <a href="mailto:andleeb.akhtar@slough.gov.uk">andleeb.akhtar@slough.gov.uk</a>
Friday 22 <sup>nd</sup> April 2016 at 4pm	End of formal consultation period and any formal responses to be addressed to Christina Hefferon by email or post via Sarah Ricketts ( <a href="mailto:sarah.ricketts@slough.gov.uk">sarah.ricketts@slough.gov.uk</a> or OD/HR, 2 <sup>nd</sup> Floor West, SMP) by 4pm.
Week commencing 25 <sup>th</sup> April 2016	Consultation responses considered
9 <sup>th</sup> May 2016	Consultation response issued. 12 weeks notice given to remove £1,000 car mileage allowance
Wednesday 1 <sup>st</sup> June 2016	Implement changes to pay protection arrangements as outlined in this document.
Monday 1 <sup>st</sup> August 2016	£1,000 mileage allowance removed on phased basis.
Friday 30 <sup>th</sup> September 2016	Staff reaching 1,000 miles by this date will receive a £500 payment. After this date, no further payments will be made.

## 10. Concluding Remarks

These proposals will assist the Council in making the required savings, minimising the need to further reduce the workforce and striking a balance between a competitive employment offer and value for money for local taxpayers.

Staff are encouraged to make any comments on the proposals via e-mail or by post addressed to Christina Hefferon via Sarah Ricketts ([sarah.ricketts@slough.gov.uk](mailto:sarah.ricketts@slough.gov.uk) or OD/HR, 2<sup>nd</sup> Floor West, SMP) **by 4pm on Friday 22<sup>nd</sup> April 2016.**

**Christina Hefferon**  
**Assistant Director of Organisational Development and HR**  
**21<sup>st</sup> March 2016**