

## Terms and Conditions – Final Offer 26<sup>th</sup> January 2011

**This final offer applies to all Council staff (including support staff employed in schools) with the exception of those subject to provisions of the Education Acts, the School Teachers' Pay and Conditions Acts and the regulations made by the Secretary of State for Education and Employment.**

### **1. Proposals to reduce pay :**

The reductions to pay will be based on salary as at the 31<sup>st</sup> March 2011; the new salary payable will be the salary at 31<sup>st</sup> March minus the pay reduction outlined below:

- No pay reduction for employees earning less than a full time equivalent basic salary of £17,500 at 31<sup>st</sup> March 2011
- A 2% pay reduction for employees earning a full time equivalent basic salary between £17,501 and £22,000 at 31<sup>st</sup> March 2011
- A 4.50% pay reduction for employees earning a full time equivalent basic salary between £22,001 and £35,000 at 31<sup>st</sup> March 2011
- A 5% pay reduction for employees earning a full time equivalent basic salary between £35,001 and £65,000 as at 31<sup>st</sup> March 2011
- A 5.5% pay reduction for employees earning a full time equivalent basic salary in excess of £65,000 as at 31<sup>st</sup> March 2011

### **2. The Council will pay the £250 pay increase recommended by the government to all employees earning less than £21,000 with effect from 1<sup>st</sup> April 2011 regardless of whether it is agreed within the national pay settlement.**

Current assumption is no cost of living pay award for all other employees for two years.

### **3. No pay increments for all employees for two years (2011/12 and 2012/13);**

### **4. An additional 5 days leave entitlement (or pro-rata for part time workers) for anyone on a full time equivalent basic salary in excess of £22,000 (to compensate for part of the higher percentage pay reduction which employees earning in excess of £22,000 will receive). We plan to introduce office closures where appropriate over the Christmas period**

### **5. Revise the policy for managing absence at work and work with the Unions to reduce sickness absence. Will review the position after one year.**

### **6. Restructure essential and contractual car user entitlements;**

The Council is proposing to remove all essential and contractual user lump sums from 1<sup>st</sup> April 2011 and replace with the Southampton Car Allowance (SCA) of £20 per month.

A re-assessment will be carried out to determine who is eligible for the SCA based on whether or not it is considered they need their car to do the job asked of them.

Future increases in the rate to be agreed by negotiation.

### **7. Reduce mileage rates to HMRC approved rate of 40p per mile;**

This rate will apply to all mileage claimed from 1<sup>st</sup> April 2011. Future increases will be tied in to the HMRC approved Mileage Allowance Payment rate.

## **8. Removal of all market supplements;**

Market analysis has already been carried out for those posts that currently receive market supplements and shows that there is no evidence that a market supplement is necessary. All supplements will be removed from 1<sup>st</sup> April 2011 irrespective of current notice period.

## **9. Removal of the leased car scheme.**

Leased cars will be withdrawn from a specified date (to be agreed) to allow time for cars to be purchased where required and to allow the maximum number of leases to expire. The current compensation arrangements will be applied in terms of lump sum payment. A car loan would be available in accordance with the existing car loan policy.

In making this final offer, the Administration has also agreed as part of a complete package to:-

- Not implement any further terms and conditions changes as part of budget savings during this Administration (this does not include changes to terms and conditions arising from non-budgetary matters, e.g. to reflect legislative requirements)
- Withdraw the proposal for a reduction in the working week
- Withdraw the proposals to cut sick pay of any sort
- Withdraw the proposal for all staff to move back one pay point
- Withdraw the proposal for staff to take 5 days unpaid leave
- Guarantee no further compulsory redundancies below Chief Officer grades in respect of 2011/12 budget savings over and above those staff savings already notified (this does not include changes to terms and conditions arising from non-budgetary matters, e.g. to reflect legislative requirements)
- Offer an enhanced rate of voluntary redundancy that applies a two times multiplier rather than the current 1.6 multiplier for any voluntary redundancies agreed for the 2011/12 financial year as part of the current budget process

**It should be noted that the above offer is made as part of a complete package which it is hoped will be agreed by staff through the collective negotiation process. However if the proposals are rejected then there is no guarantee that any of the concessions that have been made will remain on the table.**

**In addition to, and not conditional upon the above package, the Administration will implement the following as part of its approach to implementing its 2011/12 savings:**

- Commit to keep compulsory redundancies to an absolute minimum
- Offer a voluntary 'bumped' redundancy scheme, whereby a person is allowed to go on voluntary redundancy if there is a person that can be redeployed into their post who would otherwise be made compulsorily redundant.
- Pay any redundancies (voluntary or compulsory) where notice is given between 1<sup>st</sup> April 2011 and 31<sup>st</sup> March 2012 based on the salary that was payable on 31<sup>st</sup> March 2011 (i.e. before any salary reductions due to the terms and conditions savings).
- Not pursue any extension in the length of the Capita contract at the current time