

BRISTOL CITY COUNCIL

HUMAN RESOURCES COMMITTEE

For Resolution

20th January 2011

Report of: Chief Executive & Service Director: Special Projects

Title: Voluntary Reduction in Contractual Working Hours

Officer Presenting Report: Robert Britton, Director: Special Projects (HR)

Contact Telephone Number: 0117 902 22669

RECOMMENDATION

The Committee is asked to adopt the Voluntary Reduction in Contractual Hours Scheme, as an amendment/addendum to the Voluntary Severance Scheme with effect from 21st January 2011.

Summary

As set out in Appendix A.

The significant issues in the report are:

An addendum to the Voluntary Severance Scheme, involves an adjustment to the calculation of redundancy pay, but does not exceed entitlements which would otherwise have applied under the Managing Change Procedure.

1. Policy

- 1.1 The redundancy pay calculator is attached as Appendix B. This proposal will permit employees to receive redundancy pay based upon

their contractual earnings prior to the agreed reduction taking effect. The time period is limited to 2 years from the effective date of the reduction of contractual hours.

- 1.2 This time period and level of redundancy payment accords with the Council's 'Pay Protection' scheme, which would be applicable had the Managing Change Policy been used.

2. Consultation

2.1 Internal

This proposal was initiated by UNISON as a positive way of reducing the impact of redundancies. The views of the other trade unions were sought at the (monthly) TU/Officer meeting in December 2010.

2.2 External

Not applicable.

3. Context

- 3.1 This arrangement, which has been agreed in one area of City Development, is considered to be of sufficient merit to be applied as a policy addendum across the remainder of BCC. It is a voluntary scheme and cannot be imposed by management, and is being introduced as a means of reducing the number of redundancies.
- 3.2 The scheme has arisen from consultation with staff and UNISON in City Development, where its application will reduce the number of redundancies which would otherwise be required as a consequence of budget reductions and strategic options.

4. Proposal

- 4.1 As set out in Appendix A.
- 4.2 The arrangement set out in this report should not be confused with the Work Life Balance Policy, when employees reduce their working hours on a temporary basis only.

5. Other Options Considered

Not applicable.

6. Risk Assessment

Nil.

7. Equalities Impact Assessment

Not applicable. This is a voluntary scheme, which will apply equally to all employees.

Legal and Resource Implications

Legal

This report has been prepared in accordance with legal advice. This is a voluntary scheme and the Council should ensure it is applied equally to all affected employees.

(Advice from Husinara Jones for Head of Legal Services)

Financial

(a) Revenue:

There are no direct financial implications arising from this report, the purpose of which is to clarify the existing Procedure, ie the payments to individuals remain the same.

However, it is anticipated that the number of redundancies required will reduce, or be deferred, thus providing savings to the authority.

(Advice from Stephen Skinner, Finance Business Partner Corporate Services and Deputy Chief Executive's Directorates)

(b) Capital:

Not applicable.

Land

Not applicable.

Personnel

As set out in Appendix A and paragraph 3 above.

Appendices

Appendix A

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None.

Voluntary reductions in contractual working hours to avoid
redundancies

1. The following addendum to the Voluntary Severance Scheme is proposed where employee/s in a work group “at risk of redundancy” agree to reduce their weekly hours of work on a permanent basis. This arrangement will apply on a voluntary basis only, as an alternative way of achieving budget savings and reducing the number of “managing change” redundancies which would otherwise be required.

Specifically the addendum applies:-

“Where an employee agrees by mutual consent to reduce their contractual weekly hours of work and where subsequently they are made redundant on compulsory grounds within two years of the contractual change in working hours, the redundancy payment will be calculated by reference to their former weekly pay i.e. their weekly earnings before they agreed to a reduction in weekly hours to avoid a redundancy”.

2. Employees covered by paragraph 1 above, who subsequently during the 2 year period voluntarily increase their hours on a contractual basis, may be subject to a pro rata adjustment in their redundancy pay depending upon the extent to which this subsequently negates this voluntary reduction in contractual hours.
3. This addendum to the Voluntary Severance Scheme is effective from 21st January 2011.