ADDENDUM TO ITEM 8 (d)

NORTH YORKSHIRE COUNTY COUNCIL

October 2011

STATEMENT OF THE CORPORATE SERVICES PORTFOLIO HOLDER
(Corporate Affairs, Performance Management)

COUNTY COUNCILLOR CARL LES

Changes In Employment Legislation

There have been some important legal changes which NYCC as an employer has had to respond to:

a) Agency Worker Regulations - Introduced as of 1st October 2011 to provide equal treatment for agency workers with comparable employees. This increases the cost of agency workers by providing equal basic terms and conditions after 12 weeks of service NYCC has reviewed its use of agency staff and we are in a good position to positively manage agency use via an automated agency tracking and management system.

b) Default Retirement Age - Arrangements for the phasing out the Default Retirement Age (DRA) came in to force earlier this year meaning employers cannot use a DRA of 65 to dismiss staff under a compulsory retirement age. NYCC has adopted an Employer Justified Retirement Age (EJRA) of 65 to rise in line with the proposed changes to the State Retirement Age. This means staff will be compulsory retired and the justification for this, as required by the statue, relates to NYCC's need to continue to provide employment opportunities for young people. It is acknowledged that for some roles staff over 65 will remain due to the nature of those roles and the difficulty in recruitment, eg schools crossing patrol, midday supervisor.

Christmas Closure 2011

The first closedown of non-frontline County Council buildings in whole or part takes place on this year (Weds 28th - Fri 30th Dec), requiring staff not working in frontline roles to take, three days off using annual leave or flexi leave. Non service buildings are mostly empty at this time and closing buildings will save on light and heating costs. Essential service buildings will remain open, e.g. highways depots, registration offices, residential buildings and larger children's centres.

Pensions Update (Local Government Pension Scheme)
LGPS – Employers submit proposals to Secretary of State

In addition to proposals for longer term structural changes to LGPS to take effect in 2015, the Local Government Group (the employers) and trade unions have been required by the Government to identify proposals by late September, which deliver short term savings equ al to a 3.2% increase in employee contributions. Discussions have been ongoing at a national level over the summer. The fact that the LGPS is a funded scheme (it has assets to pay its pensions) means more options are available to deliver the savings than for other public sector schemes that are not funded.

Unfortunately it has not so far been possible to reach agreement between the two sides and the LG Group wrote separately to the Secretary of State on 21st September with proposals to achieve the required savings. flagging the importance of trying to balance fairness and affordability to employees and affordability for the tax payer. The changes are recommended to take effect from April 2014 and the main elements are:

- No increase in employee contributions for scheme members whose full-time equivalent earnings are less than £15,000.
- An increase of 1.5% for those earning between £15,000 and £21,000. An increase of 2% to 2.5% for those earning over £21,000.
- Recognising that some employees may not be able to afford an increase in their contributions, an alternative choice for employees would be to maintain contributions at existing levels and have a lower rate of build up of pension from April 2014. Increase the normal age of retirement from 65 to 66 for benefits earned after April 2014 with benefits earned before then retaining a normal pension age of 65.

DCLG are considering these proposals and are expected to publish details of proposed changes they consider acceptable, which may be different to those proposed by the employers this month. There is then a 12 week consultation exercise for employers, trade unions and others to comment, during which time the LG Group and the unions intend to continue discussions.

Council staff are understandably concerned about any changes to their pension entitlement and particularly any increase in contributions in the current situation. As an employer we want staff to stay in the fund to ensure its continued sustainability.

There are different changes proposed to other public sector schemes including that for teachers and the unions nationally are organising a national day of action on 30^{th} November. The County Council will prepare for this and do all it can to mitigate impact on customers and communities.

<u>Update on Redundancies and Redeployment</u>

Restructurings and staff reductions continue. The workforce (not including schools) has reduced to 5985 as of 30 September 2011, which now puts it at 2008 levels and is a 7% reduction on early 2010 level. We see a continued trend of a reduction of at least 100 posts a quarter. As a result of completed and ongoing restructurings nearly 400 posts have been removed and in other areas vacancies have been removed and fixed term contracts not renewed in order to reduce spend.

Of the 400 posts removed there have been 136 redundancies so far, but this includes some who worked a couple of hours a week and over 60 who did not want to be redeployed. We continue to work hard at finding and moving staff into alternative posts to assist them and minimise the redundancy costs for NYCC.

<u>e-Newsletter</u>

North Yorkshire Now, the council's new e-newsletter, has now been running for three months and has seen nearly 4,000 people sign up to receive it. Whilst not reaching all of our residents, the level of subscriptions is good in comparison to other local authorities. We know that those receiving the newsletter are then going on to read about the stories and get more information from the council's website, with the story on Broadband and the new adult education courses being the most popular following the first edition. Further work is underway to build up more subscriptions, and we will continue to monitor its demand and take up.