

# **EAST AYRSHIRE COUNCIL**

**CABINET – 17 NOVEMBER 2010**

## **WORKFORCE PLANNING**

### **FACILITY FOR EMPLOYEES TO REDUCE THEIR WORKING HOURS ON A SUBSTANTIVE BASIS**

#### **Report by the Executive Director of Finance and Corporate Support**

#### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to ask Cabinet to approve that all Local Government Employees and Craft Operatives be allowed to voluntarily reduce their working hours on a substantive basis subject to the exigencies of the service.

#### **2. BACKGROUND**

- 2.1 Almost 50% of the Council's expenditure is made up of employee costs and therefore options to reduce these costs must be identified if the Council is to set a balanced budget which takes account of diminishing financial resources.
- 2.2 As part of its employee engagement arrangements to seek contributions on how Council expenditure can be reduced, a number of employees have raised the issue of reducing employees' working hours. Whilst in some cases the suggestions have implied that this should be on a compulsory basis, many have indicated that it could be done on a voluntary basis in the first instance.
- 2.3 The Council has in place a number of arrangements whereby employees can reduce their working hours, accordingly the concept of allowing employees to reduce working hours is not new. The current arrangements cover statutory entitlements under, for example The Flexible Working (Eligibility, Complaints and Remedies) (Amendment) Regulations 2009 which extended the rights to request flexible for parents with children up to the age of 16 years and others such as compressed hours which have been introduced as part of the Council's Work Life Balance employment policies. There is also the facility for flexible retirement, the terms of which are outlined in PER Circular 14/2009 – Local Government Pension Scheme – Employers' Discretions.
- 2.4 Notwithstanding the current arrangements, any employee who makes an application to work flexibly is not guaranteed to have their request approved particularly where there are sound business reasons which show that to grant the application would have an adverse impact on service delivery.
- 2.5 Given the impending budgetary pressures facing the Council it is proposed to amend the current arrangements for employees to reduce their working hours.

### **3. PROPOSALS**

- 3.1 To assist departments to make their efficiency savings, it is proposed that all Local Government Employees and Craft Operatives be allowed to reduce their working hours on a voluntary but substantive basis. This facility would allow not only a reduction to the standard working week but also to allowing an employee to work term time.
- 3.2 Employees who wish to apply to reduce their working hours on a substantive basis will submit their application on the attached pro-forma (RWH/1) to their line manager. The line manager will respond to the employee concerned within 14 days of receipt of the application. All applications will be approved subject to the exigencies of the service. Where a manager considers that there may be an adverse impact then they will discuss the application with their Head of Service to establish as to how that impact can be reduced or removed thereby allowing the employee's application to be approved, if possible. This may include the granting of a trial period of up to three months during which the potential impact of the reduction can be assessed.
- 3.3 A PER Circular will be issued informing employees of the extension of the facility to reduce their hours voluntarily on a substantive basis. The Circular will also highlight the facility for employees to request flexible retirement. Flexible retirement, which is detailed in the Council's Statement of Employers' Discretions under the Local Government Pension Scheme, allows an employee to reduce their working week on a substantive basis whilst at the same time accessing their pension from the LGPS. As strain on the fund costs are incurred in agreeing to such applications from employees aged under 60 years, then it is likely that preference will be given to applications received from employees aged over 60 years of age albeit in certain circumstances approval of applications from employees aged under 60 years of age may be able to be justified financially.
- 3.4 Employees will be advised of the potential impact on their pensions if they agree to a reduction in their working week.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 It is not possible to determine the potential savings arising from this proposal but any employee who reduces their working hours on a substantive basis will result in savings in employee costs in terms of both salary and employers' costs.

### **5. LEGAL AND POLICY IMPLICATIONS**

- 5.1 There are no direct legal or policy implications arising from the proposals which can be implemented under existing Council policies and procedures.

### **6. TRADE UNION CONSULTATION**

- 6.1 The proposed changes have been discussed with the Trade Unions and formal approval is anticipated shortly.

## **7. RECOMMENDATIONS**

7.1 Cabinet is ask to approve:-

- (i) that all Local Government Employees and Craft Operatives be allowed the ability which would allow them to reduce their working hours on a substantive basis, subject to Trade Union consultation; and
- (ii) otherwise note the content of the report

**Alex McPhee**  
**Executive Director of Finance and Corporate Support**  
**4 November 2010**

### **BACKGROUND PAPERS**

1. Various PER Circulars covering Flexible Working and Local Government Pension Scheme Employers Discretions.

Any person wishing further information should contact Martin Rose, Head of Human Resources (Telephone 01563 576092).

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