

EAST AYRSHIRE COUNCIL

COUNCIL – 21 JUNE 2007

MODERNISATION AGREEMENT FOR CRAFT OPERATIVES

Report by the Executive Director of Neighbourhood Services

1. PURPOSE

- 1.1 The purpose of this report is to seek Council approval for Building and Works to commence discussions with Trade Unions with regard to the new Modernisation Agreement for Craft Operatives.

2. BACKGROUND

- 2.1 At the meeting of the Housing Committee held on 17 May 2006, Members agreed to a series of proposals put forward by a joint working group comprising officers and tenant representatives to address concerns around performance and levels of tenants' satisfaction. The proposals for change focused on repair categories and timescales, repairs by appointment, job ordering processes, and current "contractual" arrangements between Housing and Building and Works. Members also agreed to proposals to review existing business processes in the housing repairs service and implement any actions needed to improve service efficiency and cost effectiveness.
- 2.2 The need to improve response times and the quality of work carried out to increase customer satisfaction has been highlighted in the Council's Improvement Plan arising from the recent Best Value Audit of East Ayrshire Council by Audit Scotland. Progress on delivering the Improvement Plan will be reviewed and monitored by the Council's local external auditor as part of the annual audit process.
- 2.3 In March 2007 the Council's Housing Committee endorsed a 10-year property maintenance contract. This demonstrated a commitment to the ongoing provision of services by Building and Works, providing a platform on which the conditions of employment for craft and manual operatives can be developed over the term of the agreement. In doing so the Council agreed in principle to the introduction of a 'Best Value' contract for property maintenance.

- 2.4 Appendix 1 of the report on the 21 March 2007 by Stewart Gilchrist Associate consultant with SOLACE Enterprises and advisor to the Chief Executive on property related matters reported that one of the key elements to the future continued success of Building and Works and its ability to meet the service delivery and performance targets (financial and operational) set by the Council, is the performance of its people including its Craft employees. In order to achieve the goal of being able to demonstrate Best Value, employees will require to adapt to change on existing working practices and conditions, and to give a clear demonstration that they are prepared to change.
- 2.5 A Modernisation Agreement is a fundamental component of the Best Value Contract. The agreement is considered to be integral to the service review, and the success of its anticipated outcomes is fundamental to providing future service improvements.

3. MODERNISATION AGREEMENT

3.1.1 The key principles of the Modernisation Agreement are as follows:

- a) The Modernisation Agreement is based on information gathered through benchmarking of the terms and conditions of employment in other similar local authorities and benchmarking of identified best practice in the sector.
- b) The Modernisation Agreement will implement a salary based scheme linked to productivity targets. Employee performance will be reviewed bi-annually.
- c) Employees will move up or down the salary scale based on individual output and to facilitate this performance will be reviewed every six months.

Consolidated salary ranges have been derived from the existing wage structure and are based on the current SNJC rates. The agreement is based on a 37-hour working week and is constructed to meet the needs of the service and the consolidated salaries reflect this inclusion.

- d) Employee performance will be monitored in accordance with the following criteria; Productivity, Efficiency, Customer Care, Quality, Health and Safety, Modern Employee Practices and Attendance at Work.
- e) It is proposed that during the term of the agreement modern employee practices incorporating multi-skilling will be developed with management and trade unions to further improve the efficiency of service delivery.

3.1.2 Draft proposals are subject to Trade Union negotiations and may require amendment through discussions.

3.1.3 In terms of the importance of this particular task, the Lead Team will require a dedicated group with the necessary skills to be established, including Corporate Personnel, in order to deliver the Modernisation Agreement in line with the predetermined timescales. Following Council approval to commence discussion, it is imperative that a negotiation strategy, including dates for consultation, is in place as soon as possible.

4. FINANCIAL IMPLICATIONS

4.1 The financial implications are dependent upon the outcome of consultation and negotiation but will require to be taken into account by all sides to ensure that the viability of Building and Works is not compromised.

5. LEGAL AND PROCUREMENT IMPLICATIONS

5.1 There are no implications associated directly with the terms of this report.

6. POLICY IMPLICATIONS

6.1 The introduction of a modernised agreement will support the plan to improve the Housing and Property Maintenance Services and will address issues around housing repairs and asset management raised by the recent Best Value Audit.

6.2 The proposed Modernisation Agreement demonstrates the Council's commitment to improve and deliver Best Value Services to tenants and to develop better partnership working with tenants and other key stakeholders. The proposal also supports the Council's aims and objectives set out in the Tenant Participation Strategy, Local housing Strategy and the East Ayrshire Community Plan.

7. RECOMMENDATIONS

7.1 Members are asked to:

- (i) approve the commencement of discussions between Building and Works and Trade Unions with regard to the new Modernisation Agreement for Craft Operatives.
- (ii) note that draft proposal is subject to Trade Union negotiations and may require amendment in the course of consultation.
- (iii) otherwise, note the contents of the report.

William Stafford

Executive Director of Neighbourhood Services

21 June 2007
JW/LH

LIST OF BACKGROUND PAPERS

- (i) Improving Housing Repairs Service in East Ayrshire, Housing Committee 21 March 2007
- (ii) Improving Housing Repairs Service in East Ayrshire, Housing Committee, Appendix 1, SOLACE, 21 March 2007
- (iii) Improving Housing Repairs Service in East Ayrshire, Housing Committee 1 November 2006
- (iv) Improving Housing Repairs Service in East Ayrshire Housing Committee 17 May 2006

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