

Policy and Resources Meeting	
Meeting Date	14 December 2022
Report Title	34 Hour week
EMT Lead	Lisa Fillery – Director of Resources
Head of Service	Lisa Fillery – Director of Resources
Lead Officer	Lisa Fillery – Director of Resources
Classification	Open
Recommendations	1.4 That Policy & Resources approve a formal staff consultation on the introduction of a 34 hour working week from 1 April 2023 if the 2023/24 budget proposal is agreed at Full Council in February 2023.

1 Purpose of Report and Executive Summary

- 1.1 The draft budget and Medium Term Financial Strategy (MTFS) for 2023/24 – 2026/27 includes the proposal to amend the working week from 37 hours to 34 hours. The council is currently facing a significant budget gap due to hyperinflation rates, increased homelessness costs and the reprovision of the waste and street cleansing service. The proposal to reduce the working hours has been made based on the results of a staff survey as an alternative to making an annual pay award which will further increase the budget gap.

2 Background

- 2.1 We recognise that our staff are our most important resource at the heart of the services we provide. We currently have around 260 full time equivalent posts and around 300 actual members of staff. Our pay bill is our most significant area of direct spend and stands at £14.4m including pension and national insurance contributions.
- 2.2 On Friday 28 October, staff on Swale payroll were sent a survey to ask their views on different ideas relating to staff pay and potential savings. The survey was linked to work accounts so people could only respond once, but no names were recorded to make sure people could respond honestly without risk to anonymity. The survey closed at 5pm on Wednesday, 9 November, with 164 responses submitted out of a total of 296 staff on the payroll (55.4%).
- 2.3 The two main questions asked were:
1. Please rank the below options in order with your preferred option at the top and least preferred at the bottom. (Options displayed randomly for each user)

- No annual pay increase for 2023/24, reducing the working week to 34 hours with no reduction in pay (equivalent to an 8% pay increase per hour), closing the office at 13:30 on Friday and making the closure between Christmas and New Year permanent.
- 2% pay increase for 2023/24, then permanent 4 day working week from 2024/25, with pay then being reviewed annually as normal.
- 2% pay increase with the £270,000 cost needing to be found from other savings
- 4% pay increase with the £540,000 cost needing to be found from other savings
- 5% pay increase with the £675,000 cost needing to be found from other savings

2. Which of the following options for pay increases would you be in favour of?

- All staff
- Grade 7 and under only
- Grade 9 and under only
- Grade 11 and under only – wouldn't apply to heads of service, directors or chief executive
- Grade 12 and under only – wouldn't apply to directors or chief executive
- All staff except chief executive

2.4 The results were as follows;

Chart 1 – Staff survey question 1 (Ranking options)

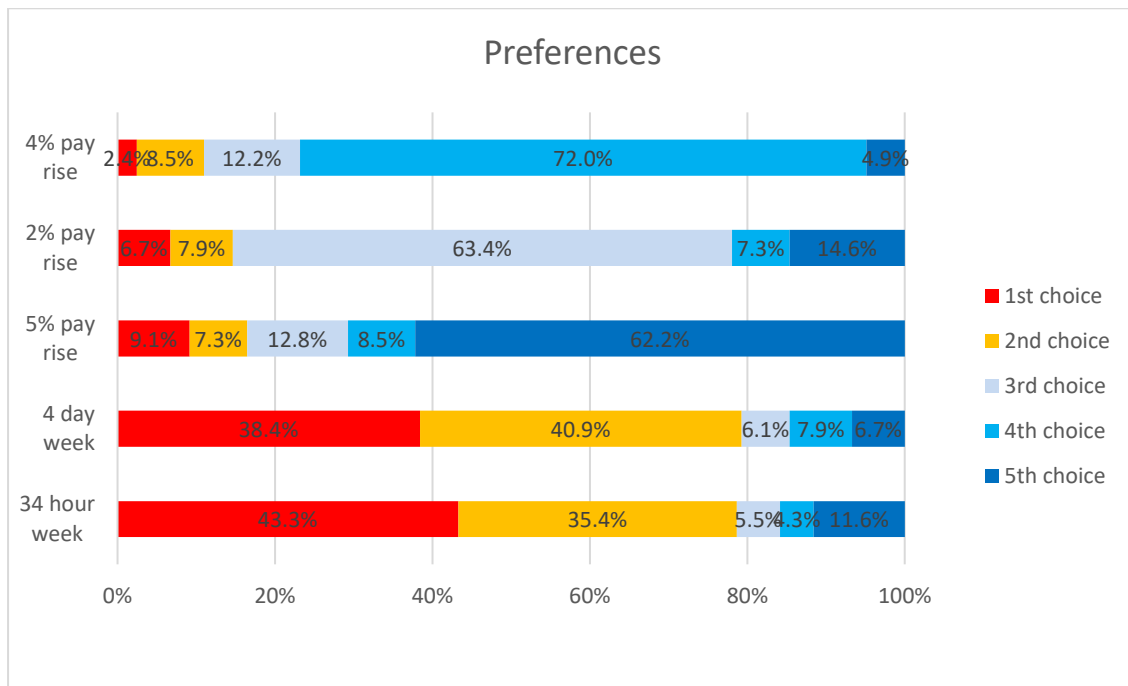
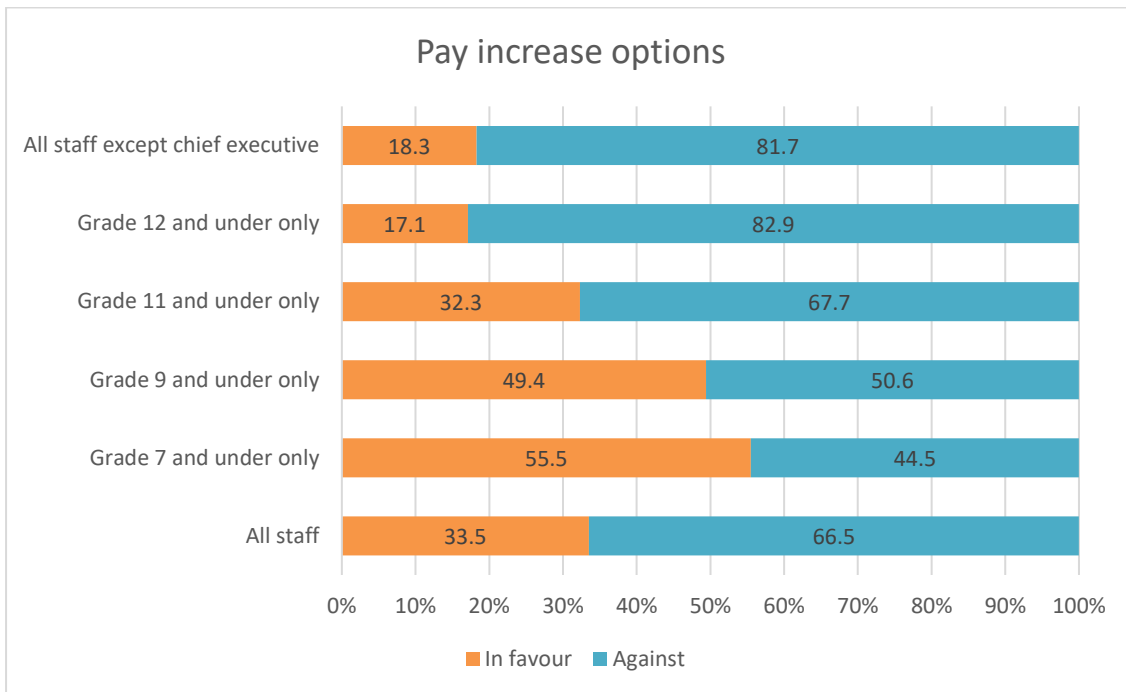


Chart 2 – Staff survey question 2 (Who gets a pay increase?)



2.5 As can be seen from the ranking of options (question 1) the 34-hour week with no pay award was the most popular first choice (43.3%). At the current time therefore, the draft budget does not assume any inflationary pay award, the only increases currently forecast are due to the Real Living Wage which is now £10.90 per hour (outside of London) and any annual increments. It should be noted that this does not constitute the final pay agreement for next year and that the normal negotiations will need to be held with the Union prior to any formal final pay proposal coming through separately to Full Council.

2.6 The budget proposals are due to come into affect on 1 April 2023 if they are agreed and so to enable the effective roll out of the change to working hours the following timetable is proposed to run concurrently with the budget consultation process:

Action	Date
Report to Policy and Resources Committee	December 2022
Formal consultation document and EIA to be written Q&A document to be produced	December 2022
Formal consultation document issued to TU	December 2022/January 2023
TU responses	January 2023

Formal consultation document issued to staff – briefings to be offered	January 2023
30 day deadline for consultation (may need to extend depending on responses)	February 2023
Changes to iTrent to reflect new pay elements Changes to policies Changes to terms & condition letter (if not applying a trial period)	January – March 2023
Consultation comments responded to by CEO and presented to Committee (consider any changes in direction that may require further consultation with TU/staff)	Early March 2023
Consultation responses shared with staff	February/March 2023
Implement new working hours	1 st April 2023

2.7 Consultation with specific teams will be required to understand the implications of the proposal and to ensure that mitigation is considered where there is an unacceptable impact on workloads and/or statutory deadlines cannot be delivered.

2.8 Exploring new ways of working is a concept that is being considered across organisations, the benefits that have been seen as a result include:

- Improved quality of work output
- More motivated employees
- Improved productivity
- Better retention
- Improved recruitment
- No loss of performance
- Improved work life balance
- Reduction in sickness rates

2.9 Whilst the survey results indicated that staff are most willing to explore the change in working pattern there are disadvantages that also need to be considered and measures taken to minimise those where possible.

- Employees may work the same hours – there may be jobs that are not be suited to reduced hours and staff may find they are still working the same number of hours as they were previously.
- Costs in overtime – there may be some jobs that are unable to fulfil all the work demands during a shorter week. This could lead to additional costs of overtime for staff if there is a requirement to meet all demands especially if it impacts on customer satisfaction.

- Shared services – for shared service staff that are not employed by Swale Council may find they need to cover longer days to meet the business requirements for the council. This could impact on shared service staff working additional hours or changing working patterns which could impact on the delivery to other MKS authorities.

3 Proposals

- 3.1 Policy & Resources committee is requested to approve that a staff consultation process is progressed in line with the draft budget timeline, to enable the introduction of the 34 hour week if the budget proposal is agreed for the 2023/24 budget.

4 Alternative Options Considered and Rejected

- 4.1 There is currently no allowance within the draft budget for a staff pay award other than a provision for contractual increments and an increase to the real living wage to £10.90/hour. Based on the results of the staff survey members decided to include the proposal of a reduced working week as the range of pay award options would require further savings to be made from the budget.

Increase	Budget savings required
2%	£270,000
4%	£540,000
5%	£675,000
7%	£945,000

- 4.2 The further option to consider a 4 day working week will be reviewed when the outcomes have been assessed for other councils that are currently trialling this change to working hours.

5 Consultation Undertaken or Proposed

- 5.1 Initial findings from the staff survey indicate that staff are willing to consider a change to working practices and this reports seeks approval to commence the formal consultation process with staff, to allow the timely introduction of the proposal if it is agreed as part of the budget process.
- 5.2 At the time of writing the Chief Executive and the Head of HR are meeting with the Trade Union to discuss the pay claim that they have submitted which does not accept the 34 hour week proposal.

6 Implications

Issue	Implications
Corporate Plan	Delivery of the Council's corporate priorities will be reassessed in line with any agreed changes to staff working hours. This proposal will not impact on the councils ability to provide statutory and discretionary services.
Financial, Resource and Property	The financial implications of an alternative proposal to make a pay award is included in the body of the report.
Legal, Statutory and Procurement	Council policy on staff consultation will be followed. The council is legally allowed to change working patterns in consultation with staff
Crime and Disorder	None identified
Environment and Climate/Ecological Emergency	Closing Swale House on a Friday afternoon will make a positive impact on our energy usage.
Health and Wellbeing	Staff wellbeing will be considered as part of the consultation process. However it is felt this is an improvement to staff health and wellbeing as they will benefit from improved work life balance
Safeguarding of Children, Young People and Vulnerable Adults	None identified
Risk Management and Health and Safety	None identified
Equality and Diversity	A full Equalities Impact Assessment will be undertaken, however there are not currently any equality and diversity implications identified as no member of staff will be financially disadvantaged by the change in hours, no member of staff will be asked to work longer hours (compress the hours) and annual leave entitlement will be not changed (34 hours = 1 fte)
Privacy and Data Protection	None identified

7 Background Papers

Draft budget proposal to P&R 30 November 2022