

ZERO HOURS CONTRACTS – MEMBER LED REVIEW INTERIM REPORT: CABINET RESPONSE

To: Cabinet

Date: 15th April 2014

From: Head of People

Electoral division(s): All

Forward Plan ref: N/A *Key decision:* No

Purpose: This report sets out the suggested Cabinet response to recommendations from a member-led review that investigated the Council's use of staff on zero hours contracts.

Recommendation: Cabinet is asked to:

- a) Consider and comment upon the findings and recommendations contained within the Overview and Scrutiny Committee's report
- b) Consider and agree the responses to the recommendations as set out in section 2 of this report.

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1. BACKGROUND

- 1.1 The Resources and Performance Overview and Scrutiny Committee reviewed the findings of the member-led review on Council's use of zero hours contracts on 20th March 2014.
- 1.2 The Committee made a number of recommendations that it has asked be reported to Cabinet.

2. RESPONSE TO THE RECOMMENDATIONS

The recommendations from the Overview and Scrutiny Committee are set down below (shown in bold), as well as the suggested Cabinet response.

2.1 Recommendation 1:

Guidelines are put in place for those staff who manage zero hours staff. Additionally, information should be provided to zero hours staff, so that they have a neutral/independent contract they can refer to if they have concerns about their employment or management arrangements;

This recommendation is Partially Accepted.

The suggestion of putting management guidelines in place for those staff who manage zero hours staff is supported. The additional reference to providing information to zero hours staff is also supported; however it is not agreed that they should have an independent contact to raise concerns with. One of the principles of effective line management is that managers should address any concerns raised by their employees directly. The Council has a number of employment policies in place to address issues where they arise. In most cases this would be the Grievance Procedure, Bullying and Harassment Policy or Whistleblowing Procedure, all of which zero hours employees are entitled to use, and all of which provide for employees to raise matters with a more senior officer if the concern is about the conduct or actions of their manager. The guidelines recommended could make this clear and accessible for them.

2.2 Recommendation 2:

Whilst there may be operational reasons behind further recruitment of zero hours staff in individual cases, careful consideration should be given to whether additional zero hours staff need to be employed at all, or where zero hours staff are working long or regular hours, whether the most appropriate solution is to recruit on a more permanent basis.

This is Accepted with some slight adjustment to the wording recommended and shown in italics below.

Whilst there may be operational reasons behind further recruitment of zero hours staff in individual cases, careful consideration should be given *by Service Directors* to whether additional zero hours staff need to be employed at all, or where zero hours staff are working long or regular hours, whether the most appropriate solution is to recruit on a more *fixed* basis.

It is correct that there are already a pool of experienced zero hours staff. However, from a management perspective there is a requirement for a sufficiently large group of people to be able to draw on, with sufficient flexibility and availability to avoid having to use agency staff. Where there is no-one available the team must resort in some cases eg social care settings, to the hiring of agency workers at a greater cost. The challenge is to get the balance right and this must be the focus of the management team, under the scrutiny of the Service Directors.

2.3 Recommendation 3:

A policy on how the Council uses and manages zero hours contract staff, is established.

This recommendation is accepted.

3. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

3.1 Supporting and protecting vulnerable people when they need it most

Employment policy is designed with due consideration for facilitating access to employment, and with support for existing employees to sustain their employment.

3.2 Helping people live healthy and independent lives in their communities

3.3 Developing the local economy for the benefit of all

The HR team runs a report 6 monthly and follow up to end contracts where people have not worked for more than 6 months. Where they have worked regularly and frequently managers are encouraged to consider whether a permanent contract could and should be offered to ensure that they are given access to permanent opportunities where this is something they are seeking.

3.4 Ways of working

Zero hours workers have employment rights with the County Council and have access to permanent employment opportunities as an internal applicant where they are actively seeking permanent work. Many zero hours employees choose to work on these contracts, with no mutuality of obligation, because it suits their personal circumstances and they are unable to commit to regular working.

Where they work regularly and frequently their employment status is reviewed to consider whether they should be offered a permanent contract of employment with regular hours of work.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource and Performance Implications

The Council's limited resources mean that the ability to utilise zero hours contracts allows a level of flexibility that would not be available with solely permanent staff, and there is an ongoing challenge to reduce the reliance on agency staff.

4.2 Statutory, Risk and Legal Implications

The legal requirements are already met by the way that zero hours contracts are set up and managed by the Council.

4.3 Equality and Diversity Implications

A large proportion of zero hours employees tend to be female. As set out above there is opportunity for them to secure contracted hours employment in most cases, where they choose to do so.

4.4 Engagement and Consultation

This consultation process with zero hours staff has provided a useful insight into the views and concerns of those in this category and will now inform a set of guidelines to be established.

Source Documents	Location
Resources and Performance Overview and Scrutiny Committee agenda and minutes for 20 th March 2014	Room 114 Shire Hall Cambridge