

AGENDA

Employment Panel

Tuesday, 12 November 2013 AT 16:00

In the Committee Room A, Civic Centre, Carlisle, CA3 8QG

Apologies for Absence

To receive apologies for absence and notification of substitutions.

Declarations of Interest

Members are invited to declare any disclosable pecuniary interests, other registrable interests and any interests, relating to any item on the agenda at this stage.

Public and Press

To agree that the items of business within Part A of the agenda should be dealt with in public and that the items of business within Part B of the agenda should be dealt with in private.

Minutes of Previous Meetings

To approve the minutes of the meetings held on 10 May 2013 and 20 May 2013.

[Copy Minutes in Minute Book 40(1)]

PART A

To be considered when the Public and Press are present

A.1	<u>Flexitime and Time Off In Lieu (TOIL)</u>	5 - 26
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A.2(a)	<u>Computers for Staff</u>	27 - 32
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PART B

To be considered when the Public and Press are excluded from the meeting

Members of Employment Panel

Conservative - Mallinson J, Mitchelson, Bloxham (sub), Mrs Geddes (sub)

Labour - Atkinson P, Glover, Stothard, Weber, Bowditch (sub), Miss Sherriff (sub),
Watson (sub)

**Enquiries, requests for reports, background papers,
etc to Lead Committee Clerk: Rachel Rooney – 817039**

Report to Employment Panel

Agenda
Item:

A.1

Meeting Date: 12 November 2013
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: No
Public / Private: Public

Title: Flexitime and Time Off in Lieu (TOIL)
Report of: Organisational Development Manager
Report Number: CE 11/13

Purpose / Summary: The City Council offers a range of flexible working options for employees. The most important factor in any debate about flexible working is service delivery and ensuring we meet the needs of both external and internal customers. However, offering employees some flexibility in arranging their working hours can help to raise morale, reduce stress and contribute to recruitment and retention.

An outcome from the 2013 Employee Opinion Survey was to review and update the flexi scheme and to produce guidance on Time Off in Lieu (TOIL) which many teams used but there was no policy on it. Updated flexitime and new TOIL schemes have now been developed.

Recommendations: The Employment Panel is asked to approve the updated flexitime and new TOIL schemes.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

1. BACKGROUND

1.1 Introduction

1.1.1 The City Council offers a range of flexible working options for employees including a flexi scheme, part-time and term time working, and compressed hours. For a number of years employees have asked for changes to be made to the flexi scheme, both to make the scheme more flexible and to ensure the rules are applied consistently across the organisation. The flexi scheme was reviewed in 2007 and 2009 but both times it was decided not to make any changes.

1.1.2 The flexi scheme has had the most comments in the annual Employee Opinion Surveys since the surveys were reintroduced in 2011 and employees are still concerned that the scheme is interpreted in different ways depending on what team they are in. For example, the current guidance doesn't say how many days of flexi leave per month they can take which has led to teams developing their own rules.

1.1.3 An outcome from the 2013 Employee Opinion Survey was to review and update the flexi scheme and to produce guidance on Time Off in Lieu (TOIL) which many teams used but there was no policy on it.

1.2 The Case for Flexible Working

1.2.1 Recent research from the Chartered Institute of Personnel and Development (CIPD) shows that, "flexible working is linked to higher levels of employee engagement and wellbeing, which in turn has been proven to have a positive impact on workplace productivity." ¹

1.2.2 The most important factor in any debate about flexible working is service delivery and ensuring we meet the needs of both external and internal customers. However, offering employees some flexibility in arranging their working hours can help to raise morale, reduce stress and contribute to recruitment and retention.

2. PROPOSALS

2.1 Flexitime Scheme

2.1.1 The proposed new Flexitime Scheme Guidance (Annex A) builds on the current guidance as well as good practice from other organisations. The key differences between the proposed new scheme and the existing one are:

- The bandwidth is expanded from 8.00am – 6.30pm to 7.30am – 7.30pm.
- Core time is removed.

¹ http://www.cipd.co.uk/blogs/cipdbloggers/b/peter_cheese/archive/2013/06/25/flexible-working-response.aspx

- Fifteen hours of credit can be carried forward at the end of the settlement period.
- Credit and debit hours are pro-rata for part-time employees.
- Flexi leave can be taken next to annual leave.
- One day of flexi leave (pro-rata for part-time employees) can be taken each month.
- All employees with access to computers now receive a weekly flexi report.
- Flexi adjustments will be done by email for employees with access to computers.
- A Flexibank scheme is introduced for employees working on particular projects or at busy times of the year. For these reasons only, credit hours over 15 hours at the end of the settlement period can be 'banked' and taken at a later date.
- The flexi recording system will automatically deduct 30 minutes if a break has not been taken after working for 6 hours.
- Staff eating lunch at their desks and taking less than 30 minutes do not need to clock out.
- Under most circumstances, GP appointments, dental check-ups and sight tests should be taken in an employee's own time. However, if an employee has to see their GP or attend hospital for ongoing treatment or check-ups related to a serious medical condition, a disability or recuperation following an illness, reasonable time off with pay will still be provided.
- During sickness absence flexitime is suspended.
- In exceptional circumstances, where large numbers of employees will be affected, time can be credited with the approval of a Chief Officer.

2.1.2 The following remains unchanged:

The maximum amount of time employees can be in debit is eight hours.

2.2 TOIL Scheme

2.2.1 The proposed new TOIL Scheme Guidance (Annex B) is based on good practice from other organisations as the City Council did not have a policy on this. Some teams operated their own TOIL schemes and had different rules for how TOIL was accrued, recorded and taken which led to issues about how fairly these schemes were run.

2.2.2 The key features of the scheme are:

- The TOIL Scheme applies when employees are asked to work outside what are considered to be their "normal" hours, the flexitime bandwidth or beyond their contracted hours to meet the needs of the organisation. For staff on the Flexitime Scheme that would be before 7.30am or after 7.30pm.
- Staff at grade A to F are entitled to claim overtime for extra hours worked and the Pay Policy gives further guidance on this.
- Accruing TOIL should be an exceptional rather than routine occurrence.
- Additional hours must be agreed by managers in advance of them being worked if employees want to claim them as TOIL.
- Examples of when TOIL can be claimed include attending evening meetings, attending evening or weekend events on behalf of the City Council, running an

evening or weekend event and training courses that employees are required to attend on a day they do not normally work.

- Employees who choose to work outside normal working hours or outside the flexitime bandwidth cannot accrue TOIL.
- Excess hours accrued under the Flexitime Scheme may not be transferred to TOIL.

3. CONSULTATION

3.1 A paper on a revised flexi scheme and new TOIL scheme was taken to SMT in August 2013. Consultation took place with staff and unions in September. An updated paper was taken to SMT in October with recommendations for change following the consultation.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1 Offering employees some flexibility in arranging their working hours can help to raise morale, reduce stress and contribute to recruitment and retention. While the most important factor in any debate about flexible working is service delivery and ensuring we meet the needs of both external and internal customers, the new schemes allow managers flexibility in arranging working hours to meet the needs of the service as well as allowing individual employees some flexibility in their working hours. The Employment Panel is asked to approve the updated flexitime and new TOIL schemes.

Contact Officer: Emma Titley

Ext: 7597

Appendices **Annex A – Flexitime Scheme**
attached to report: **Annex B – TOIL Scheme**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's -

Community Engagement –

Economic Development –

Governance – The current Flexi scheme predates the establishment of the Employment Panel. While amendments to a policy should be dealt with by the same Committee of the Council as dealt with the original report, the remit of the Employment Panel includes responsibility for the terms and conditions on which staff hold office and it is therefore appropriate that this Panel considers both the proposed new Flexi scheme and the new TOIL scheme.

Local Environment –

Resources – The proposed Flexi and TOIL schemes were consulted on during September and further discussion took place with service managers to ensure that the schemes reflect the needs of the business. The proposal provides an opportunity for the Council to further enhance the workforce benefits package.

Annex A



Flexitime Scheme Guidance

METADATA

Audience	Carlisle City Council
Creator	Organisational Development Team
Date Issued	TBC
Description	The document sets out how the City Council's Flexitime Scheme works
Disposal	N/A
Format	MS Word 2007
Version	0.5 Employment Panel 12.11.13
Title	Flexitime Scheme Guidance
FW Framework reference	Policy FW01

FLEXITIME SCHEME GUIDANCE

1. INTRODUCTION

1.1 Carlisle City Council is committed to improving the wellbeing of employees and demonstrates this through a range of initiatives. One of these is offering a variety of approaches to help staff work more flexibly.

1.2 The City Council has had a flexi scheme for many years but over time, teams have developed different ways of interpreting it which has led to issues about how fairly the scheme has operated. This guidance statement expands the flexi scheme to offer more flexibility when employees work their hours while improving accountability and sets out the rules by which the scheme operates.

1.3 The Flexitime Scheme is a discretionary benefit, which is offered to employees whose working arrangements allow an element of flexibility. It may not be suitable for employees whose duties require a fixed working pattern. The Statement of Particulars issued to employees when they started their job will show whether or not flexitime applies. If it is not applicable there may be other flexible working schemes which could be.

2. HOW THE FLEXITIME SCHEME OPERATES

2.1 General Principles

2.1.1 The Flexitime Scheme allows managers flexibility in arranging working hours to meet the needs of the service as well as allowing individual employees to adjust their working hours to fit personal circumstances. The guidance in this document shows the most flexibility that is allowed and there may be business reasons that mean some aspects of the scheme do not apply to all teams. This may lead to variations between posts, teams and directorates within the scheme rules. In reconciling any conflicting demands, the overriding consideration is service delivery and managers should ensure any changes to the scheme that apply to their team are clearly explained. Any concerns about how the scheme is applied should be raised through the grievance procedure or with the unions through the Consultative Joint Committee.

2.2 Standard Working Day

2.2.1 The standard working day is 7 hours 24 minutes and a standard half day is 3 hours 42 minutes. These times will be used for crediting annual leave, public and statutory holidays, sickness, attendance on courses, working days spent away from the office and special leave.

2.3 Bandwidth

2.3.1 The bandwidth is the earliest time an employee can start work under this scheme to the latest finishing time. The bandwidth has been extended and is now **7.30am** to 7.30pm Monday to Friday. Where the normal working week for an employee extends beyond these hours or includes a Saturday or Sunday the bandwidth should be extended to include those working arrangements.

2.4 Core Time

2.4.1 There is no core time in the Flexitime Scheme. Multiple attendances on a single day are permitted, subject to agreement with the appropriate line manager.

2.5 Maximum and Minimum Hours

2.5.1 No more than 6 hours must be worked without a break of at least half an hour. The maximum number of hours per day is 10 hours.

2.5.2 On every working day, a minimum of 4 hours must be worked to include at least 1 hour before 1pm and 1 hour after 1pm. Where a half day of leave (annual leave or flexi leave) has been agreed, the employee must complete at least 2 hours work before 1pm in the case of afternoon leave, and at least 2 hours work after 1pm in the case of morning leave.

2.6 Office Hours

2.6.1 The current office hours are:

Monday to Thursday	8.45am to 5.15pm
Friday	8.45am to 4.30pm

2.6.2 The Flexitime Scheme must not lead to a reduction in the standard of service to the public and all teams must ensure they have adequate staffing during office hours. Officers are expected to make adequate mutual arrangements so that there is sufficient cover to cope with the functions and responsibilities of their team. Managers are responsible for ensuring this takes place. Where managers set times the office is to be covered this must be clearly communicated to the team.

2.6.3 In exceptional circumstances, Directors have a reserve power to adjust the bandwidth in respect of individual posts or teams to ensure there is adequate cover for essential office functions.

2.7 Credit/Debit Hours and Carry Over

2.7.1 The reckoning of how many hours have been worked is over a period of a calendar month. Each monthly period ends at 1.00am on the 15th of the month.

2.7.2 The Flexitime Scheme makes it possible to work either more or less than the standard hours and most people will probably do so.

2.7.3 Employees working full time can carry forward 15 hours of credit. Any hours in excess of this will be lost at the end of the settlement period.

2.7.4 Full time employees can not be more than 8 hours in debit at the end of the settlement period. If an employee has more than 8 debit hours without previous agreement from their line manager, then the disciplinary procedure may apply.

2.7.5 Employees should not regularly carry debit hours from one settlement period to the next. If an employee consistently (i.e. 3 or more settlement periods) carries a debit over 8 hours, they can be required to 'pay off' the debit using annual leave.

2.7.6 These occasions are expected to be rare rather than the norm and regularly balancing flexitime records through the use of annual leave is not permitted. However, part-time staff who have a debit balance following a bank holiday are allowed to use annual leave to reduce the debit.

2.7.7 Credit and debit hours for part-time employees are calculated on a pro-rata basis. For example, someone working 18½ hours per week could be 7 hours 30 minutes in credit and 4 hours in debit.

2.7.8 Abuse of the Flexitime Scheme e.g. unnecessarily long attendances at work solely to build up credit hours, may result in the scheme being temporarily or permanently withdrawn from an employee.

2.8 Flexi Leave

2.8.1 Employees can take a maximum of one day of flexi leave pro rata per settlement period. There is no requirement to have accumulated the hours in advance of taking the leave but employees must be aware of the limit of 8 debit hours per settlement period (also pro rata).

2.8.2 The working pattern for some part-time staff means the pro-rata amount of flexi leave allowed would not enable them to take a whole day per month. For these staff they can take a whole day every two months. An example of this would be someone who works 18½ hours per week over 2½ days, working whole days for two day and then a ½ day. They could take one whole day every two months.

2.8.3 With approval from the line manager one day of flexi leave can be added to the start or end of a period of annual leave. For example, a week of leave could be 4 days of annual leave and 1 day of flexi leave.

2.8.4 Requests for flexi leave must be made using Trent Self Service or the paper-based flexi leave form. Requests for flexi leave will not be unreasonably refused but managers approving leave must ensure there is sufficient office cover.

2.8.5 The granting of requests for flexi leave will normally depend on:

- the operational needs of the service
- the amount of time an employee has already accrued
- satisfactory individual performance i.e. achievement of tasks/targets
- the workload of the individual/team
- level of attendance in the previous settlement period was as expected

2.9 Adjustments

2.9.1 All employees with access to computers at work now receive an automated flexi report every Monday to show the hours that have been recorded for them in the previous 4 weeks.

2.9.2 Employees with access to computers who need to make an adjustment to their recorded hours should email their line manager with the reason and adjusted timings. If the manager approves the adjustment they should email the team flexi administrator to amend the record and copy the employee in. If they do not approve the adjustment they should email the employee to explain why.

2.9.3 Employees without access to computers at work should notify their team flexi administrator of any adjustments they need to make.

2.10 Flexibank

2.10.1 Staff should not be working more than 15 hours (pro rata) in excess of their contracted hours on a regular basis. The City Council recognises that occasionally

individual employees or teams have particular projects or busy periods of the year that may require additional hours to be worked. This must be approved in writing by the Director before the hours are worked. When Flexibank hours are approved it must also be agreed by the Director, manager and employee when the accrued hours will be taken. Time over 15 hours will be 'banked' and recorded on the Directorate Flexibank Form located in the S drive (Management Reports).

2.10.2 If an employee wants to 'bank' Flexibank hours they should email their manager at the end of the settlement period saying how many hours above 15 were worked and include the email from the Director approving the accrual of Flexibank hours. For example, they were 21 hours in credit at the end of the settlement period and 6 of those were working on a project approved in advance by the Director. The manager should forward the email, along with the email from the Director, to the City Council's flexi administrator at flexi@carlisle.gov.uk. The administrator will enter the details on the Directorate Flexibank Form in the S drive (Management Reports). The employee will have 6 hours of Flexibank time and be 15 hours in credit at the start of the new settlement period.

2.10.3 The maximum amount of Flexibank leave that can be accrued per project or period is 74 hours. Accrued Flexibank hours can be taken in addition to the one day of flexi leave allowed per month and must be agreed in advance with the Director and manager. Hours banked in this way must be taken within 3 months of accumulating them. Employees wanting to take their Flexibank hours should email their manager saying when they want to take it and how much time they are taking. Managers should forward the email the City Council's flexi administrator at flexi@carlisle.gov.uk saying that they approve the taking of Flexibank hours. The administrator will enter the details on the Directorate Flexibank Form in the S drive (Management Reports).

2.10.4 Flexibank hours should not be recorded as Time Off in Lieu (TOIL) which is for different purposes as described in the TOIL Guidelines.

2.11 Overtime

2.11.1 One of the benefits to the City Council of the Flexitime Scheme is that employees will use the scheme to manage peaks of work so the need for paid overtime is reduced. Where payment is made for overtime, the same time cannot be claimed through the Flexitime Scheme. Overtime should be recorded separately on the Claim for Overtime Form. Guidance on when overtime can be claimed can be found in the Pay Policy.

2.12 Breaks

2.12.1 No more than 6 hours must be worked without a break of at least half an hour. In the case of lunch, this break should usually be taken between 12.00pm and 2.00pm, but if this is not possible e.g. due to attending meetings, an earlier or later break can be taken.

2.12.2 If you are leaving the building on non-work purposes e.g. for a lunch break, you should clock out and clock in on your return. The flexi recording system will automatically deduct 30 minutes if a break has not been taken after working for 6 hours.

2.12.3 The City Council encourages staff to take a lunch break away from their desk. This is important for employee wellbeing and productivity.

2.12.4 Employees who eat lunch in their office can take 30 minutes for lunch without clocking out as this will be automatically deducted by the system. If more than 30 minutes is taken an adjustment must be made as described in section 2.9.2.

2.12.5 Where circumstances permit, reasonable smoking time will be granted to employees who smoke. Employees taking a smoking break should clock out when they leave the building and clock in on their return.

2.13 Medical and Dental Appointments

2.13.1 The Flexitime Scheme is intended to increase the scope for staff to work flexibly to a degree where, under most circumstances, GP appointments, dental check-ups and sight tests can be taken in an employee's own time with the hours made up during the settlement period. For these appointments, if employees are going from work they should clock out and then clock in on their return. If employees are going to an appointment at the start of the day they should clock in when they arrive at work in the usual way and not make a flexi adjustment as they did under the previous scheme. Equally, if staff are going to an appointment at the end of the day they should clock out when they leave and not make a flexi adjustment.

2.13.2 If an employee has to see their GP or attend hospital for ongoing treatment or check-ups related to a serious medical condition, a disability or recuperation following an illness, reasonable time off with pay will be provided. The manager must seek guidance from the Human Resources Team when dealing with such a case.

2.13.3 Absences of half a day or more must be recorded on Trent, the sickness absence declaration form must be completed and will be recorded as time off to attend a medical appointment.

2.13.4 Pregnant women have a statutory right to paid time off to attend ante-natal appointments. Paid time off will also be granted for the purpose of cancer screening e.g.

mammograms. Employees must advise their manager in advance of all scheduled ante-natal and screening appointments.

2.14 Annual Leave and Bank Holidays

2.14.1 When an employee returns from leave they should check they have been given credit for the absence. If not, they should make a flexi adjustment. If they work full time, credit will be given on the basis of 7 hours 24 minutes per full day or 3 hours 42 minutes per half day for annual leave and bank holidays. If they work part-time or have a different working pattern, they will be credited with whatever is a full day or half day for their usual hours on that day depending on whether they were on leave for a full or half day. Bank holidays are credited on a pro-rata basis for these staff.

2.15 Sickness

2.15.1 If an employee falls sick during flexi or Flexibank leave, the normal notification procedure applies. However, if the employee intends to reclaim the 'lost' flexi or flexibank leave, they must produce a medical certificate to cover the whole of the period of leave to be reclaimed. This sick period may be taken into consideration as part of the attendance management policy. Outstanding leave may be taken at a later date.

2.15.2 For further information about sickness absence see the Attendance Management policy, procedures and guidelines toolkit.

2.15.3 During sickness absence flexitime should be suspended and should not be debited or credited during absence.

2.16 Special Appointments

2.16.1 If their manager considers there is sufficient office cover employees can arrange special appointments e.g. meetings with banks or solicitors during the working day. They should clock out when they leave and clock in on their return.

2.17 Special Leave

2.17.1 Managers are requested to consider a blend of options available to support individuals during this difficult time. This may include flexi, TOIL, special and unpaid leave. All leave requests must be discussed and agreed with the line manager. Further advice on this is available from the HR Team and in the Special Leave Policy.

2.18 Attendance at Courses, Seminars and Conferences

2.18.1 Employees attending courses, seminars and conferences will be credited with a standard working day of 7 hours 24 minutes. Any time beyond this amount spent travelling to or from events can be claimed up to a maximum of 10 hours. This also applies to travel on the day before or after an event subject to the total time for the day, including time actually worked on those days, not exceeding 10 hours.

2.18. 2 In the case of travelling on Saturdays, Sundays or holidays the maximum allowance will be the actual time spent travelling. Employees who attend a course, seminar or conference which would usually necessitate an overnight stay due to the distance of the event from Carlisle and who travel and return on the same day, thus saving the City Council the cost of an overnight stay, can also claim the actual time spent travelling. In these cases employees can accrue TOIL for any time over 10 hours and this must be approved by the line manager in advance.

2.19 Travel Time

2.19.1 Employees travelling from home to a workplace other than their usual one or to a meeting should make a flexi adjustment to show their arrival time at the site when they return to their usual workplace. If it takes longer to travel to the other site than it usually takes them to get to work they can claim the time difference. The same applies if employees are travelling from another site to home at the end of the day.

2.19.2 Employees who are required to attend evening meetings can claim time from home to the place of the meeting and return if they have gone home after their working day is over as this is above their normal commuting time for that day.

2.19.3 Employees leaving the workplace for business reasons should follow their departmental sign in and out protocol for health and safety reasons.

2.20 Absence from Usual Workplace on Official Business

2.20.1 If an employee leaves their usual place of work on official business, whether it is for a nearby visit or to go further afield, they should not clock out. If they do not return that day, they should make a flexi adjustment when they do return with the finish time for the day being the time they left the other site. A standard lunch break of 30 minutes will be

deducted from their time. If they take a longer lunch break it should be indicated in the adjustment.

2.21 Time Outside the Bandwidth and Saturday or Sunday Working

2.21.1 Time worked outside the bandwidth of 7.30am to 7.30pm or at the weekend will not be counted as part of the Flexitime Scheme unless that is part of a normal working pattern for an employee. The TOIL Guidelines provide guidance on how extra hours for specific events should be recorded.

2.22 Bad Weather Conditions

2.22.1 Employees who are unable to get to work due to poor weather conditions, for example roads blocked by snow, should take that time as annual leave or flexitime. If that is not possible, then it would count as unpaid leave of absence. Some employees may be able to work from home if they are not able to get to their usual place of work due to bad weather but that will depend on their role and needs to be approved by their line manager

2.22.2 Employees leaving work early due to bad weather conditions should clock out and will not be credited with extra hours. Where bad weather results in an employee exceeding the maximum deficit allowed by the Flexitime scheme, the manager should agree a reasonable timescale within which the deficit should be reduced.

2.23 Exceptional Circumstances

2.23.1 Only in exceptional circumstances where large numbers of employees will be affected, e.g. a major business continuity situation, will time be credited when staff are advised to leave early or not attend work. This needs to be approved by the Chief or Deputy Chief Executive.

2.23 Other Absences from Work

2.23.1 If an employee needs to be absent from work for any other reason they should discuss it in advance with their line manager. If agreement cannot be reached, final approval is at the discretion of the Director.

2.23.2 Special leave may be granted, for example, if an employee is:

- sitting exams for a qualification in connection with their employment
- undertaking duties as a Magistrate
- serving as a juror or as a witness in court
- attending summer camp for the reserve forces
- acting as an elected Member of another authority or school governor
- following the death of a close relative or partner

2.23.3 In all cases, they must apply to their manager for approval before taking the leave. Further advice is available from the HR Team.

2.24 Recognised Trade Union Officers

2.24.1 In the case of accredited trade union officials who are engaged on union business, only time spent during the standard day shall count for the Flexitime Scheme except when meeting with management.

3. ACCOUNTABILITY

3.1 The Flexitime Scheme operates on the basis of trust, particularly in relation to the recording of hours worked. Employees must always clock in and out themselves. They should never ask or permit another person to do it for them as this could result in disciplinary action being taken against the employee.

3.2 If an employee has left their card at home they should make a flexi adjustment for the hours they worked that day. If they have lost their card another one will be supplied and in the meantime, they should make flexi adjustments.

3.3 Everyone is likely to be forgetful at times; they may forget to clock out at lunchtime or at night for example. However, if the same person seems often, and for no obvious reason, to be infringing the rules of the Flexitime Scheme a copy of the flexitime infringements should be given to them and a meeting take place with their line manager. Employees infringing the rules may be required to return to fixed hours but will still keep using the flexi recording system.

3.4 Managers are responsible for ensuring they review the weekly flexi report for their team and deal with any issues arising. Weekly flexi reports may be sampled to ensure compliance with the scheme.

3.5 Managers should not add time worked over the 15 hours credit to the new settlement period. If an employee is regularly working over 15 hours extra the manager should meet with them to discuss their workload. If they are working extra hours for a particular project or a busy time of year this should be identified in advance and extra hours recorded on the Flexibank form. This should only be used on an occasional basis and not become a regular way of working. Managers should be mindful that in accordance with the Working Time Regulations an average working week must not exceed 48 hours averaged over a 17 week reference period when authorising Flexibank hours. This limit includes all secondary employment a person may be undertaking inside or outside of the City Council's employment.

4. FAULTY EQUIPMENT

4.1 There are occasionally problems with the flexi recording equipment. If this happens, employees should make a flexi adjustment to show the hours they have worked. If you find a unit is not operating properly please notify the Service Support Team on extension 7038.

5. DISPUTES

5.1 The Flexitime Scheme may be withdrawn from any employee who fails to meet the conditions of the scheme or who abuses the spirit of trust on which it is based and they will be liable to disciplinary action.

5.2 Any disputes which may arise about the Flexitime Scheme will be dealt with through the normal employee relations processes.

6. OTHER INFORMATION

6.1 Each employee taking part in the Flexitime Scheme is given a personal card for their sole use. The card is coded and when issued the code will be held on record.

6.2 Each time an employee clocks in or out the balance will be displayed. It is also possible to have the balance displayed by pressing 1 and swiping the card. Please note the system debits a standard day of 7 hours 24 minutes (or whatever is the usual daily pattern for that employee) at the start of the day. This reduces throughout the day and the balance at the end of the day will be correct providing no adjustments are to be made.

6.3 Employees authorised to work paid overtime should clock out as soon as the overtime is to start. Overtime should be recorded on the Claim for Overtime Form.

6.4 Accumulated flexitime cannot normally be paid for other than in exceptional circumstances which must be approved by the Director.

6.5 When an employee leaves the City Council they are expected to be 'in balance' on their final day. They should leave their card with their line manager.

6.6 Staff working late should be aware that cleaners need access to rooms to carry out their duties, even if staff are working in them.

Annex B

Time Off in Lieu Scheme Guidance

METADATA

Audience	Carlisle City Council
Creator	Organisational Development Team
Date Issued	TBC
Description	The document sets out how the City Council's Time Off in Lieu (TOIL) Scheme works
Disposal	N/A
Format	MS Word 2007
Version	0.5 Employment Panel
Title	Time Off in Lieu (TOIL) Scheme Guidance
FW Framework reference	Policy FW02

TIME OFF IN LIEU (TOIL) SCHEME GUIDANCE

1. INTRODUCTION

1.1 Carlisle City Council is committed to improving the wellbeing of employees and demonstrates this through a range of initiatives. One of these is offering a variety of approaches to help staff work more flexibly.

1.2 The City Council has not had a formal Time Off in Lieu (TOIL) scheme before although other policies make reference to TOIL. This has meant teams have developed different ways of accruing, recording and taking TOIL which has led to issues about how fairly it has operated. This guidance statement sets out the rules by which the scheme will operate.

1.3 The TOIL Scheme applies when employees are required to work outside what are considered to be their “normal hours”, the flexitime bandwidth, or beyond their contracted hours in order to meet the needs of the organisation.

1.4 Staff at grade A to F are entitled to claim overtime for extra hours worked and the Pay Policy gives further guidance on this.

2. HOW THE TOIL SCHEME OPERATES

2.1 What is TOIL?

2.1.1 TOIL is time off which employees are authorised to take in *lieu of* (i.e. instead of) overtime pay for time worked in addition to contracted hours by agreement with their line manager.

2.2 General Principles

2.2.1 Accruing TOIL should be an exceptional rather than routine occurrence. It is not possible to produce guidance that covers every situation so managers and employees need to use their judgement to ensure the scheme works fairly.

2.3 Accruing TOIL

2.3.1 TOIL is accrued when hours are worked outside of normal working hours for operational reasons.

2.3.2 Employees who are part of the Flexitime Scheme can only accrue TOIL when additional hours are worked outside the bandwidth which is 7.30am to 7.30pm, unless the

employee normally works different hours. Employees who work set hours (e.g. not part of the Flexitime Scheme) can accrue TOIL for hours worked outside their normal working hours.

2.3.3 Additional hours must be agreed by managers in advance of them being worked if employees want to claim them as TOIL.

2.3.4 Examples of when TOIL can be claimed include attending evening meetings; attending evening or weekend events on behalf of the City Council; running an evening or weekend event; and training courses employees are required to attend on a day that they do not normally work.

2.3.5 Employees who choose to work outside normal working hours or outside the flexitime bandwidth cannot accrue TOIL. Excess hours accrued under the flexitime scheme may not be transferred to TOIL.

2.3.6 TOIL should not be accrued on a regular basis. If employees are routinely expected to start or finish work outside of their normal working hours or the flexitime bandwidth an alternative solution should be considered. For employees who are required to regularly work in the evenings, a change to the bandwidth may be appropriate for them.

2.3.7 Employees should not work longer than a ten hour day. Managers should be mindful that in accordance with the Working Time Regulations an average working week must not exceed 48 hours averaged over a 17 week reference period when authorising the accrual of TOIL. This limit includes all secondary employment a person may be undertaking inside or outside of the City Council's employment.

2.4 Recording Accrual of TOIL

2.4.1 When an employee is asked to work outside of their contracted hours or the flexitime bandwidth a record must be kept and authorised by their line manager. Details of the reason for accruing TOIL must be given alongside the time recorded. Employees who use computers at work should email their line manager saying why they needed to accrue TOIL and how many hours were worked. Managers should forward the email the City Council's flexi administrator at flexi@carlisle.gov.uk saying that they approve the accrual of TOIL. The administrator will enter the details on the Directorate TOIL Form in the S drive (Management Reports). Employees who do not use computers should let their team administrators know they will be accruing TOIL and the administrators need to email the line manager for approval and then complete the process above.

2.4.3 In most circumstances TOIL can only be accrued at ordinary time e.g. two extra hours worked equals two hours of TOIL. No enhancement is applicable to Saturday, Sunday or Bank Holiday working in terms of TOIL. At the discretion of the director, enhanced rates of TOIL can be accrued for working unsociable hours.

2.4.4 The maximum amount of TOIL that can be accrued is 30 hours. Accrued TOIL must be taken within three months.

2.5 Taking TOIL

2.5.1 TOIL cannot be taken in advance of it being earned and therefore can never be a minus balance.

2.5.2 TOIL must be agreed by the manager in advance of it being taken. Requests to take TOIL will not be refused without good reason, but managers must balance the need to deliver the service with allowing employees to take the TOIL they have accrued.

2.5.3 Employees who use computers at work should email their line manager saying when they want to take the accrued TOIL and how much time they are taking. Managers should forward the email the City Council's flexi administrator at flexi@carlisle.gov.uk saying that they approve the taking of TOIL. The administrator will enter the details on the Directorate TOIL Form in the S drive (Management Reports). Employees who do not use computers should let their team administrators know they will be taking TOIL and the administrators need to email the line manager for approval and then complete the process above.

2.5.4 Where managers do not approve the dates an employee had requested to take TOIL they should agree alternative dates.

2.5.5 Employees transferring to another post with the City Council should ensure they take any accrued TOIL before they move.

2.5.6 Options to pay for TOIL to meet business need will be considered in exceptional circumstances and must be approved by a Director. Examples include employees working notice and cover for absences.

2.5.7 If an employee falls sick during TOIL leave, the normal notification procedure applies. However, if the employee intends to reclaim the 'lost' TOIL leave, they must produce a medical certificate to cover the whole of the period of leave to be reclaimed. Outstanding leave may be taken at a later date. For further information about sickness absence see the Attendance Management policy, procedures and guidelines toolkit.

3. ACCOUNTABILITY

3.1 The TOIL Scheme operates on the basis of trust, particularly in relation to the recording of hours worked.

3.2 Managers are responsible for agreeing the accrual and taking of TOIL. They should formally monitor TOIL records and ensure their staff are not accruing excessive amounts of TOIL.

4. DISPUTES

4.1 The TOIL Scheme may be withdrawn from any employee who fails to meet the conditions of the scheme or who abuses the spirit of trust on which it is based and they will be liable to disciplinary action.

4.2 Any disputes which may arise about the TOIL Scheme will be dealt with through the normal employee relations processes.

Report to Employment Panel

Agenda
Item:

A.2(a)

Meeting Date: 12 November 2013
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: No
Public / Private: Public

Title: COMPUTERS FOR STAFF
Report of: Organisational Development Manager
Report Number: CE 12/13

Purpose / Summary:

The City Council has introduced a scheme for Members to buy tablets as part of an initiative to reduce paper use for committees and other Council meetings. As part of this, the Portfolio Holder for Finance, Governance and Resources asked members of the Employee Benefits Working Group to develop a scheme for staff to buy computers for work or home use.

The Computers for Staff scheme would enable staff to buy a PC, laptop or tablet and pay for it through monthly salary deductions. Therefore the scheme would operate at nil cost for the Council.

Recommendations:

The Employment Panel is asked to:

1. Approve the Computers for Staff scheme, in principle, subject to a consultation process being undertaken with staff and approval for incurring expenditure being requested of and approved by the Executive.
2. Consider whether this scheme is deemed to be a term and condition of employment or a discretionary benefit.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

1. BACKGROUND

1.1 Introduction

1.1.1 In September 2012 Members of Resources O&S Panel requested that a Task Group be set up to look at opportunities to save paper within the democratic process. The Task Group made several recommendations, including one to undertake a pilot of using tablet technology in Committee meetings.

1.1.2 The Saving Paper Task Group Update Report (OS 09/13) suggested that Members could purchase a suitable device via deductions from their allowance if they wanted to have their own tablet. The Report also said that consideration would need to be given to how this could be rolled out to officers.

1.1.3 The Portfolio Holder for Finance, Governance and Resources asked members of the Employee Benefits Working Group to develop a scheme for staff to buy computers for work or home use. Officers who attend committees and other Council meetings could use tablets at these meetings, but the Portfolio Holder also recognised that many other staff could benefit from a scheme which enabled them to buy a computer and pay for it through salary deductions. Many of the staff who could take part in such a scheme would not be involved in committees or Council meetings and some of these would not use computers as part of their job e.g. operational staff. For staff who do not use computers at work, a scheme to enable them to buy a computer in an affordable way could help to improve their IT skills which may increase the range of employment opportunities available to them.

1.1.4 There are a wide range of benefits organisations can offer to their employees which support employee engagement. Effective pay and reward strategies, together with initiatives including flexible working, recognition of achievement and learning and development opportunities contribute to successful recruitment and retention. The City Council has already introduced Holiday Purchase and Cycle to Work schemes, and a Computers for Staff scheme would add to the range of employee benefits offered to staff.

1.2 Principles

1.2.1 The City Council's Computers for Staff scheme would initially be a one off opportunity for staff to buy a computer. However, if there was sufficient interest it could become an annual scheme for staff.

1.2.2 A small range of PCs, laptops and tablets from a variety of manufacturers and at different price points will be selected for staff to choose from (see 1.7.1 for examples). Computer peripherals e.g. printers will not be included in the scheme.

1.2.3 The cost of the device will be taken in equal monthly instalments from the employee's salary. This is not a salary sacrifice scheme so costs are taken from net (after tax and National Insurance Contributions are deducted) rather than gross salary. Payment will be over 12 months.

1.2.4 The City Council reserves the right to refuse an employee's application to purchase a computer if it will take their salary below the National Minimum Wage. Occasionally there may be other reasons why applications are refused e.g. staff on final written warnings. If approval is not given the reason will be explained in writing to the employee. All requests will be considered and approved (or not) by the Director of Resources.

1.2.5 Employees who leave the City Council before fully repaying for a computer they have purchased will be required to complete payment either through a deduction to final pay, or if this would cause hardship, a payment programme can be negotiated.

1.3 Procedure

1.3.1 Employees who want to buy a computer will do so by submitting the Computers for Staff Form to the Service Support Team. Once the application has been received, the Service Support Team will check that the repayments would not take the employee's salary below the National Minimum Wage. If approved, the Service Support Team will calculate the likely deductions in salary and confirm these in writing to the employee.

1.3.2 Should the application be declined the reasons for this will be outlined in writing by the Director of Resources.

1.4 Adjustments To Pay

1.4.1 Where an employee requests to buy a computer, this will result in a reduction to their monthly salary for 12 months. The new monthly salary will be calculated and notified to the employee, by the Service Support Team, as soon as possible following approval of their application.

1.4.2 Employees should note that by completing and submitting the application form that, if approved, this form also constitutes their consent to any applicable salary adjustment.

1.4.3 The calculation will be arrived at by:

- Dividing the cost of the computer by 12

1.5 Supply of Computers

1.5.1 The supply of computers for the staff scheme will work differently to the one for Members. For the Members scheme the Digital and Information Services (DIS) staff bought the tablets through one of their regular providers on a framework agreement. As the main aim of the Member scheme was to reduce paper use at committee meetings, the DIS staff will provide IT support for the tablets for the first year.

1.5.2 The number of staff who may take up the Computers for Staff scheme makes using DIS for technical support unfeasible so an alternative solution has been sought. For the Computers for Staff scheme a company is needed who can provide the computers and technical support. The Computers for Staff scheme has been judged as being a Category

B procurement project so quotations for the computers will be sought from three companies.

1.5.3 If the scheme is a success and there is sufficient demand from staff to run the scheme on a more regular basis other procurement methods may need to be considered in the future.

1.6 Paying for the Computers

1.6.1 As the Council will pay for the computers up front, there will be an initial outlay of cash which will be recovered over a 12 month period from employees. Approval will be sought from the Executive to incur this initial expenditure albeit the scheme will operate at a nil cost to the authority.

1.6.2 It is anticipated that the cost for the initial scheme will be £20,000 - £30,000, based on employee feedback and the maximum value allowable for a computer.

1.6.3 When participation numbers are known and the order subsequently placed, sundry debtor invoices will be raised to cover the cost of the computers to all those participants. This creates income which is then netted off against the cost of the purchase invoice for the computers. Payments for the debtor invoices will be done as salary deductions over a set time period.

1.7 Examples of Computers

1.7.1 Tablets, laptops and PCs will be available through the Computers for Staff scheme. Examples of the types of computers include:

- Apple iPad with Retina display 16GB
- Samsung Galaxy Note 10.1" 16 GB
- Acer Aspire E1-571 15.6" Laptop
- Apple MacBook Air MD711B/A 11.6" Laptop
- Acer iMedia S 2870 Desktop 21.5"
- Apple iMac MD095B/A 27"
- Packard Bell iMedia S2870 Desktop 20"

2. CONSULTATION

2.1 A paper on the Computers for Staff scheme was taken to SMT in October 2013. If Employment Panel approves the scheme consultation will take place with staff and unions.

3. CONCLUSION AND REASONS FOR RECOMMENDATIONS

3.1 A Computers for Staff scheme would add to the range of employee benefits offered to staff which can help to support employee engagement. For staff who do not use computers at work, a scheme to enable them to buy a computer in an affordable way could help to improve their IT skills which may increase the range of employment opportunities available to them. The Employment Panel is asked to approve the Computers for Staff scheme, in principle, subject to a consultation process being undertaken with staff and approval for incurring expenditure being requested of and approved by the Executive; and to consider whether this scheme is deemed to be a term and condition of employment or a discretionary benefit.

4. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

4.1 The Computers for Staff scheme supports the priority to develop a skilled and prosperous workforce, fit for the future.

Contact Officer: Emma Titley

Ext: 7597

Appendices None
attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- OS 09/13

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's -

Community Engagement –

Economic Development –

Governance – The proposed scheme will either be classed as forming part of staffs' terms and conditions of employment or be a discretionary benefit with the right reserved by the Council to withdraw the scheme. If the latter is the chosen option then this should be explicitly stated in documentation. The Computers for Staff Scheme will need to be underpinned by an agreement between the Council and the employee to cover, for example, repayment of funding should the employee leave the employment of the Council during the relevant period.

Local Environment –

Resources -

HR - As this is a further enhancement of the workforce benefits package and is not currently part of the terms and conditions of employment the proposal may be introduced without the need for consultation. It would be recommended that this scheme remain discretionary and reviewed yearly.

Finance – The proposed scheme will operate at nil cost to the Council, with any expenditure being recovered from employees over a 12 month period. Subject to approval by the Employment Panel, the Executive will need to give approval to incur the initial expenditure associated with the scheme. The chosen procurement methodology will need to comply with the Council's Contract Procedure Rules.

Report to Employment Panel

Agenda
Item:

A.2 (b)

Meeting Date: 12 November 2013
Portfolio: Finance, Governance and Resources
Key Decision: Not Applicable:
Within Policy and
Budget Framework NO
Public / Private Public

Title: SALARY SACRIFICE CAR SCHEME
Report of: ORGANISATIONAL DEVELOPMENT MANAGER / DIRECTOR OF
RESOURCES
Report Number: RD57/13

Purpose / Summary:

This report outlines a proposal to introduce a Salary Sacrifice Car Scheme for employees that will allow the Council to make financial savings from National Insurance contributions and mileage reimbursements, and be nil cost to the Council to operate.

Recommendations:

Employment Panel are asked to approve, in principle, the introduction of a Salary Sacrifice Car Scheme for employees subject to a consultation process being undertaken with staff and approval for incurring expenditure being requested of and approved by the Executive.

Tracking

Employment Panel:	12 November 2013
Executive:	16 December 2013

1.0 Background

- 1.1 The Council has been increasing the non-salary benefits it offers to staff over the past few years. This has included offering various 'Salary Sacrifice' schemes, such as Childcare Vouchers and Cycle to Work for the provision of bicycles.
- 1.2 Salary sacrifice schemes have become an increasingly popular way of providing enhanced benefits to staff, with schemes able to be implemented at no cost to the employer and offer the opportunity to make savings in times when financial pressures are increasing, they are a way of improving the offer to staff for retention and recruitment purposes. These schemes can be offered by any employer and are not specific to the public sector.
- 1.3 There are a wide range of benefits organisations can offer to their staff which support engagement in the workplace. Effective pay and reward strategies, together with initiatives including flexible working, offers on goods and services, recognition of achievement and learning and development opportunities contribute to successful recruitment and retention.
- 1.4 With this in mind, this report outlines a proposal to introduce a Salary Sacrifice Car Scheme for Carlisle City Council.

2.0 The Principles of Salary Sacrifice Car Schemes

- 2.1 Salary Sacrifice Car Schemes have become more popular with the changes to Benefit in Kind (BiK) tax on company cars in 2008, which continues to favour low emission cars with lower levels of Benefit in Kind tax. Low emission vehicles benefit the most from these schemes.
- 2.2 From the Council's perspective, a Salary Sacrifice Car Scheme allows it to provide an additional benefit to the employee at no additional cost or, depending on how the scheme is set up, with the potential to achieve savings. This is made possible by the employee covering all the costs associated with the vehicle which results in the Council paying reduced national insurance contributions on the amount of salary sacrificed by the employees. This would equate to 10.4% of the amount salary sacrificed by the employee. This amount can be taken as savings. **Therefore, these schemes are run at no cost to the Council.** The full cost of the vehicle is recharged to the employee.
- 2.3 The employee gives up a proportion of salary in return for the provision of a "company car". With a Salary Sacrifice Car Scheme the vehicles are classed as company cars so there is a Benefit in Kind tax liability (BiK) for the employee.

However, the advantage for the employee with a Salary Sacrifice Scheme is that the reduction in gross salary (which covers all the costs of the vehicle) results in savings on income tax and national insurance contributions which more than offset the BiK liability.

- 2.4 For example, a low emissions car may attract a BiK rate of 13%. The employee would not pay tax at 20% and national insurance (NI) at 10.8% on the amount 'sacrificed', effectively saving the difference between the BiK rate of 13% and their marginal tax and NI rate of 30.8% on the amount salary sacrificed. The vehicle is then available to the employee at a competitive rate compared with financing a new car in the retail market.
- 2.5 An additional benefit for the Council is a reduction in the cost of fuel reimbursement via mileage claims. Currently the Council pays 52.2pence per mile for an employee using their own car. This would reduce to 10.3pence per mile if they had a car provided in the Salary Sacrifice Car Scheme.
- 2.6 Employees who are in receipt of an essential user allowance due to the fact that they are required to use their vehicle for work purposes receive a lump sum of up to £963 per annum and can claim mileage at 40.9pence per mile. These employees would still receive their essential user allowance, but again, the mileage rate payable would be 10.3pence per mile.
- 2.7 All employees who take a salary sacrifice car would therefore only be able to claim mileage at the lower company car rate of 10.3p per mile. **The reduced mileage payable will allow the Council to make financial savings as detailed in paragraph 4.3.**

3.0 Scheme Providers

- 3.1 There are contract hire companies in the market who provide Salary Sacrifice Car Schemes, however, Sector, who are the Council's Treasury Services Advisors have completed a procurement exercise on behalf of Mid and West Wales Fire Authority to establish a Framework Agreement, which will enable eligible organisations to establish their own Salary Sacrifice Car Schemes as part of their employee benefits packages.
- 3.2 This Framework Agreement is available to the wider public/not for profit sector including Local Authorities, in the United Kingdom and all current and future members of The Procurement Partnership Ltd. Accessing this Framework removes

the necessity for a separate OJEU tender procedure hence cutting out management time and cost.

- 3.3 Sector charge £1,500 to access the framework agreement. Under the terms of the Framework, eligible organisations can select a preferred provider to deliver their scheme through a mini-competition process assisted by Sector. As part of this mini-competition the Council would outline the precise details of how its scheme would operate and any particular details it would like to specify. This can include specifying that providers use local car dealerships to provide the vehicles. This cost can be met from existing budgets.

4.0 Benefits of the Scheme

- 4.1 There are a number of potential benefits from introducing a Salary Sacrifice Car Scheme. These include:

For the Council:

- Savings in Class 1 National Insurance costs on the amount of salary sacrificed. For the Council this would be 10.4% of the salary sacrificed.
- Other savings will accrue from business mileage reimbursement rates
- Reduces some “grey fleet” risks resulting from essential or casual users driving their own cars for business purposes.
- Enables an opportunity to reduce the carbon footprint of business travel. A maximum CO2 emissions level can be specified so as to only allow ‘green’ vehicles.
- A management system which will dovetail with the Employer’s payroll and HR functions.
- Provisions to cover scheme risks such as long-term sickness, maternity leave and early termination.

For the Employee:

- The employee pays for the rental before tax and NI deductions meaning a significant tax saving. BiK tax will have to be paid, but for low emission cars there is still a substantial saving.
- Both the employee and spouse/partner have access to new cars of their choice, which are replaced every 3 years or so.
- Cars are acquired on the Council’s purchase discount terms meaning that an individual gets the benefit (through reduced rentals) of a large fleet purchaser
- Credit rating of the employee is not required.
- Employees do not have to find a deposit or use any savings to purchase a car.

- All normal support services are included, such as breakdown recovery, all servicing and maintenance, replacement tyres and annual road tax renewal
- Comprehensive insurance is covered in the rental (including appropriate business use).
- Opportunity to buy the vehicle upon expiry of the agreement period at the current market price.

4.3 The potential savings to the Council from the implementation of the scheme are summarised below:

Casual User @ 500 Business Miles per year			
	Current Arrangements	Salary Sacrifice Car Scheme	Saving
Mileage	260	52	(208)
Employers National Insurance*	373	0	(373)
Class 1A National Insurance	5	0	(5)
	638	52	(586)

Essential User @ 2,000 Business Miles per year			
	Current Arrangements	Salary Sacrifice Car Scheme	Saving
Mileage	818	206	(612)
Essential User Allowance	963	963	0
Employers National Insurance*	373	0	(373)
Class 1A National Insurance	122	120	(2)
	2,276	1,289	(987)

N.B. Both above examples are based on a Renault Clio 1.5tdi, savings will increase with higher value vehicles.

Savings will be dependent upon the type of vehicle taken by the employee, and the amount of mileage undertaken, however, where salary sacrifice car schemes have been implemented elsewhere, a 4-6% take up has been seen. Based on the above example this could equate to between 20 and 30 vehicles being provided through this scheme, so savings to the Council of over **£12,000** per annum would not be unrealistic given this level of participation. It would be proposed that due to the uncertain nature of potential take-up that any savings accrued is taken to salary turnover savings throughout the year.

5.0 Risks Associated with the Scheme

- 5.1 Running a Salary Sacrifice Scheme is not without risk and issues that need to be managed. However, the scheme can be set up in such a way as to mitigate the impact of most, if not all, of these risks. The main risks/issues include:

For the Employer:

- The salary reduction commensurate with the employee's chosen vehicle may result in a salary below the National Minimum Wage.
Mitigated by – the Scheme Provider will employ a monitoring process within the vehicle quotation system but responsibility for ensuring Employees do not fall below the National Minimum Wage lies with the Council.
- Life-style changes may mean the Council has to cover the costs of leasing the vehicle. For example, the employee may be absent either on maternity leave or through long-term sickness.
Mitigated by – either insurance against these risks provided as part of the rental or by a contingency fund for this purpose (These can be built into the scheme specification). The contingency is funded by adding a small premium to the rentals that is retained by the Council and monitored by both the Council and Scheme Provider.
- Early termination of the vehicle as a result of resignation, redundancy, dismissal or the Employee being removed from the Scheme.
Mitigated by – the insurance provisions or contingency fund outlined above. Alternatively, the agreement with the employee can specify that early termination charges are payable by the employee in all cases except where they are made compulsory redundant or have died in service. It is recommended that this option be applied and insurance is built into the pricing to cover only compulsory redundancy and death in service.
- End of contract charges such as excess mileage or damage recharges.
Mitigated by – Scheme Providers will monitor the running mileage of vehicles provided on the scheme and, where necessary, offer to re-schedule the agreement. This results in a slight increase in the monthly rental where a vehicle shows a trend to run over-mileage, but an excess mileage charge at contract expiry is avoided. It is the responsibility of the employee to settle any recharges for damage to the vehicle but the Framework Providers will waive any such charges up to £150. Damages in excess of this cost will be recharged to the Council who will need to recover the sums from employees.

Increased damage waiver amounts are available in return for additional premiums payable with the vehicle rental.

For the Employee:

- Early termination due to dislike of the vehicle, resignation, change of life-style, total loss etc.
 - Refer to comments above
- End of contract charges such as excess mileage and damage recharges.
 - Refer to comments above

6.0 Scheme Design and Implementation

6.1 The Framework Providers offer a scheme design service for eligible bodies that have no experience of establishing these schemes themselves. However, a number of fundamental policy issues must be decided in order that the selected Provider has clear guidance upon which to base the scheme. These will include:

- Employee grading accommodating National Minimum wage levels.
- Authorisation (sign-off) process and responsibility for each stage of the scheme development.
- Specifying that vehicles are to be sourced from local dealerships who will be able to carry out all onward ancillary services such a servicing.
- Whether to accommodate Scheme risks by insurance or by a managed contingency fund. (e.g. notional fee added on to each employee's payments).
- Policy on charging early termination sums to employees/exemptions
- Whether any policy caps on insurance groups, CO2 levels, P11D values, body styles etc should apply
- Whether to pass on the Class 1A National Insurance costs for the employee associated with a car benefit to the employee (as shown in the examples in Appendix 2). It is recommended that this is applied as this ensures the scheme is no cost to the Council
- Establishing excluded groups from the scheme, e.g. employees on temporary contracts, employees on final written warnings etc.

6.2 Setting the policy and designing this into the scheme are clearly key stages in the establishment of a successful scheme.

- 6.3 It should be noted that these schemes only work well and only provide significant benefits if employees choose lower valued, lower CO2 emission cars, as that way the BiK they pay is lower.

7.0 Existing Benefits

- 7.1 Although the officers lease car scheme was ended in 2012, Chief Officers can still take a lease car in lieu of their lump sum car allowance (9.09% of salary). Other designated officers in the Council who are required to use their car for work purposes are paid an essential car user allowance. At present there are two Chief Officers who take a lease car instead of their lump sum allowance.
- 7.2 The Salary Sacrifice Car Scheme would only be feasible for Chief Officers if the cost of the vehicle was greater than the lump sum car allowance that they would receive. If the cost of the vehicle is lower, then the existing arrangements are more cost effective for the employee and the Council.
- 7.3 It is therefore recommended that Chief Officers only be able to take a vehicle under Salary Sacrifice terms if the cost of the vehicle is greater than their lump sum allowance.

8.0 Next Steps

- 8.1 If Employment Panel are supportive of introducing a Salary Sacrifice Car Scheme a consultation period will be held with staff. As part of this consultation, the Executive will be asked to give authority to incur expenditure for the scheme should it be approved. Although the scheme is no cost to the Council, the Council will still have to incur expenditure in paying the costs of the vehicle hire to the scheme provider. These are then recovered from the employee's salary reduction.
- 8.2 It is recommended that Employment Panel agree in principle the following policy decisions in order to progress a Salary Sacrifice Car scheme:
- That any vehicle taken on as part of this scheme should be used for work purposes for travel within Cumbria and that the mileage rate payable will be the leased car rate;
 - That employees classed as Essential Users continue to receive their allowance but mileage will be paid at the lease car rate
 - No restrictions as to CO2 levels or vehicle types;
 - That scheme risks are covered by additional insurance built into the suppliers pricing for the employee and/or a notional administration fee;

- That the employee is responsible for all early termination charges other than Death in Service and Compulsory Redundancy;
- That Chief Officers can only access the scheme if the cost of the vehicle is greater than their lump sum allowance;
- That the Class 1A National Insurance Contributions payable on Company Cars is included in the employees costs, thus enabling the scheme to be zero cost to the Council.

9.0 CONSULTATION

9.1 It is proposed to consult with the Consultative Joint Committee and Carlisle City Council staff

10.0 CONCLUSION AND REASONS FOR RECOMMENDATIONS

10.1 Employment Panel are asked to approve, in principle, the introduction of a Salary Sacrifice Car Scheme for employees subject to a consultation process being undertaken with staff and approval for incurring expenditure being requested of and approved by the Executive.

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	Steven Tickner	7280

Appendices **Appendix 1 – Employee Examples**
attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's –
Community Engagement – not applicable

Economic Development – not applicable

Governance – The proposed scheme will either be classed as forming part of staffs' terms and conditions of employment or be a discretionary benefit with the right reserved by the

Council to withdraw the scheme. If the latter is the chosen option then this should be explicitly stated in documentation. The Salary Sacrifice Car Scheme will need to be underpinned by an agreement between the Council and the employee to cover, for example, repayment of funding should the employee leave the employment of the Council during the relevant period

Local Environment – not applicable

Resources – The proposed scheme will require the Council to run a mini competition on the Sector Salary Sacrifice Car Scheme framework agreement which will be accessed via a one off payment of £1,500. The Council will then appoint a preferred supplier to work in partnership with to deliver the scheme. The scheme will require the Council to enter into contract hire arrangements for the supply of chosen vehicles, but these will be mirrored by agreements with the member of staff, meaning that the outlay made by the Council is fully recovered from the employee. The scheme is to be designed so as to be of minimal risk to the Council with the cost of covering these risks passed on to the employee. The scheme will generate national insurance savings for the Council for every vehicle provided, and as vehicles will be classed as company cars for HMRC purposes, mileage rates paid will be significantly lower than those payable to employees using a vehicle not procured through this scheme. Therefore, significant savings will accrue to the Council through the introduction of the scheme although how much this will be will be dependent upon participation.

Subject to approval by the Employment Panel, the Executive will need to give approval for the Council to incur the expenditure associated with this scheme although this will be fully recovered from employee salary reductions.

Consultation will provide employee feedback regarding the introduction of the scheme and anticipated support. This is a new initiative and Carlisle City Council will be the first in Cumbria to introduce such a scheme thus demonstrating the proactive approach to enhancing workforce benefits and contribution to attracting new recruits.

Sector - Salary Sacrifice Framework - Examples

APPENDIX 1

Employee Position

Car	Renault Clio 1.5Tdi			BMW 116dSE 5dr 116hp			Audi A4 Estate Avant 2.0TDi Sline		
Contract Term (Months)	36			36			36		
Contract Mileage (miles p.a.)	10000			10000			10000		
CO2 Emissions (gms/km)	94			117			125		
Company Car Tax Rate	13% 14% 14%			18% 19% 19%			20% 21% 21%		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
Salary Sacrifice Car									
Gross salary sacrificed (£ per annum)	-£3,584	-£3,584	-£3,603	-£5,066	-£5,094	-£5,122	-£7,414	-£7,456	-£7,497
20% Marginal Tax Rate									
Less Tax (£ per annum)	£717	£717	£721	£1,013	£1,019	£1,024	£1,483	£1,491	£1,499
Less NI (£ per annum)	£387	£387	£389	£547	£550	£553	£801	£805	£810
Tax on company car benefit (£ per annum)	-£357	-£357	-£384	-£687	-£727	-£767	-£1,152	-£1,212	-£1,273
Net salary sacrificed (£ per annum)	-£2,837	-£2,837	-£2,877	-£4,193	-£4,252	-£4,312	-£6,282	-£6,372	-£6,461
Annual saving to employee									
20% Marginal Tax Rate									
Total tax savings incl. BIK (per annum)	£747	£747	£725	£874	£842	£810	£1,132	£1,084	£1,036
Savings compared with PCP	£776	£776	£735	£1,173	£1,113	£1,054	£1,358	£1,268	£1,178
For Information:									
Personal Contract Purchase									
Annual vehicle cost (Rental)	-£2,932	-£2,932	-£2,932	-£4,629	-£4,629	-£4,629	-£6,742	-£6,742	-£6,742
Estimated Annual Maintenance Cost	-£260	-£260	-£260	-£317	-£317	-£317	-£478	-£478	-£478
Annual insurance	-£420	-£420	-£420	-£420	-£420	-£420	-£420	-£420	-£420
Employee's annual cost of PCP	-£3,612	-£3,612	-£3,612	-£5,366	-£5,366	-£5,366	-£7,640	-£7,640	-£7,640

Report to Employment Panel

Agenda
Item:

A.3

Meeting Date: 12 November 2013

Portfolio: Cross Cutting

Key Decision: Not Applicable:

Within Policy and
Budget Framework

YES

Public / Private

Public

Title: Officer Code of Conduct: Principles in Public Life

Report of: Director of Governance

Report Number: GD.54/13

Purpose / Summary:

This Report proposes amendment to the principles of public life contained within the Officers' Code of Conduct in accordance with the January 2013, fourteenth report of the Committee on Standards in Public Life.

Recommendations:

That the Employment Panel approve and endorse the Committee for Standards in Public Life's recommended updating to the wording associated with the "seven principles of public life" and amend the Council's Officers' Code of Conduct to incorporate the said updated wording.

Tracking

Employment Panel	12 November 2013

1. BACKGROUND

- 1.1** As Members are aware, the Council has an Officer Code of Conduct to specify the standards of behaviour expected of its employees. The document contains a set of principles which were, at that time, similar to those to which elected Members of the Council were subject in their Code of Conduct.
- 1.2** In January of this year the Committee on Standards in Public Life (“the CSPL”) (a non-departmental public body, established in 1994, sponsored by the Cabinet Office) published its fourteenth report (the CSPL is the committee formerly chaired by Lord Nolan). The CSPL’s work relates standards of conduct of all holders of public office and its reports and recommendations formed the basis of our existing standards framework and, in particular, the principles of conduct.
- 1.3** The full report is available on request from the Director of Governance and covers topics such as the promotion of high ethical standards; ethical regulation; public confidence, trustworthiness and ethical standards; and, risks to ethical standards. Of particular relevance for the purpose of this Report, the CSPL document also recommends a revision to ‘the seven principles of public life’ which are referred to above. The CSPL is of the view that the principles should apply to public office holders and their organisations. Whilst elected Members are clearly holders of public office, it is also the case that your officers work for a public organisation and receive their salaries from the public purse. The principles should equally apply to elected Members and employed officers/those engaged by the Council on a contract. For ease of reference, the relevant extract (Chapter 3) of the CSPL report is shown as Appendix 1.
- 1.4** In summary, the CSPL has decided that the principles should remain the same as promoted by Lord Nolan but recommend that the descriptions be updated. Again for ease of reference, a table showing the existing wording and the revised wording is shown at Appendix 2. Appendix 2 also shows what is included now in the Officer Code Principles but which is recommended to be omitted from the revised principles on the basis that it is included elsewhere in the Officer Code.
- 1.5** At its Meeting on 26 June 2013, the Standards Committee approved the described amendments to the Member Code and this decision was endorsed by Council on 16 July 2013. The Employment Panel is able to determine terms and conditions of staff and is, therefore, able to amend the Officers’ Code itself.

2. PROPOSALS

- 2.1** It is proposed that the Employment Panel replace the principles in the Officer Code with the revised seven principles of public life as per the recommendation in the CSPL's fourteenth report.

3. CONSULTATION

- 3.1** The Member Code of Conduct and Guidance was formulated and approved on a Cumbria wide basis. The revisions to the principles were discussed by the Cumbria Monitoring Officers' Group and the member officers were expected to report back to their respective Council to update the Principles.
- 3.2** The Council's then Independent Person, Dr Peter Tiplady, was consulted and advised that, "the seven principles of public life are still highly relevant and to be supported. The Code of Conduct regime has been promoted by the Committee on Standards in Public Life since it first established the said principles. The updated wording as suggested by the Committee should be accepted and endorsed by the Council and its Code of Conduct updated accordingly." Of course, this comment was specifically in relation to the Member Code of Conduct but it is relevant and worthy of inclusion.
- 3.3** The proposal to revise the Officer Code of Conduct has been consulted upon with the Corporate Joint Consultative Group from the 15th of October to 29th October. The response was supportive of the amendments and suggestions were made to identify improved communication methods to ensure understanding at all levels within the Council.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 4.1** The Council, via its Employment Panel, should note the recommended changes to the seven principles wording as promoted in Chapter 3 of the CSPL's Fourteenth Report and agree to amend its Officer Code of Conduct accordingly.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 5.1** The Code of Conduct exists to provide Officers a clear ethical framework in which they may work and, secondly, instil confidence in the public in the ethicality and transparency of the conduct of its officials.

Contact Officer: Mark Lambert

Ext: 7019

Appendices Appendix 1: Chapter 3 – CSPL Fourteenth Report
attached to report: Appendix 2: Revised, recommended wording of 7 principles.

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- Committee on Standards in Public Life: Fourteenth Report, January 2013

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's - None

Community Engagement – The Code of Conduct engenders public confidence in the Council's activities.

Economic Development – The ethicality and transparency that the Code of Conduct requires is fundamental to the Council's economic development and development control activities.

Governance – Contained within the body of the Report.

Local Environment – The Code of Conduct engenders public confidence in the Council's activities.

Resources - The Code of Conduct engenders public confidence in the Council's activities.

EXTRACT FROM THE COMMITTEE FOR STANDARDS IN PUBLIC LIFE – FOURTEENTH REPORT

Chapter 3: The seven principles of public life

Introduction

3.1 Any values system needs to be based on clear, broadly expressed principles which are aspirational, rooted in the core purposes of an organisation or profession and easy to communicate and understand. These values should underpin an organisation's governance and be embedded in all its processes:

"A hallmark of good governance is the development of shared values, which become part of the organisation's culture, underpinning policy and behaviour throughout the organisation, from the governing body to all staff. These are in addition to compliance with legal requirements..."²⁶

Seven principles of public life

3.2 The seven principles of public life have been an influential example of the values with which organisations seek to underpin their ethical framework. They have been adopted by a significant proportion of public sector organisations in the UK.

3.3 Many of these organisations have chosen to adapt the principles for their own purposes. We welcome this development as evidence of active consideration by those organisations of the way in which key values can best be expressed to be most relevant to their own work. In all the cases of which we are aware the underlying sentiments are recognisably the same.

3.4 The civil service, for example, has chosen to promote four values – integrity, honesty, objectivity and impartiality.²⁷ The Scottish Commission for Ethical Standards in Public Life has nine principles, adding "duty and public service" and "respect". They have also amended "accountability" to "accountability and stewardship".²⁸ The Welsh code of conduct for local councillors has ten principles, adding "duty to uphold the law", "stewardship" and "equality and respect" and amending "integrity" to "integrity and propriety".²⁹ The detailed definitions are recognisably similar in both the latter two cases. The voluntary code of conduct for local councillors in Northern Ireland does not make any reference to the seven principles as such, but includes versions of a number of them in its description of the "general duties" of a councillor (including "accountability and openness", "selflessness and stewardship", "objectivity and propriety" and "integrity". Honesty and leadership are not mentioned specifically.³⁰

3.5 The fact that other organisations have felt the need to adapt the seven principles raises the question of whether the principles should be reformulated. A number of participants in our seminars suggested that they should.

3.6 Our view is that changing the principles now would be both pointless and unnecessary. It is clear to us that they can be criticised on a number of philosophical, semantic or other grounds. We doubt that if we were inventing them for the first time today they would look exactly the same.

But we see no advantage, and the risk of some possible confusion, in seeking to alter them now. As with many ethical principles, their value lies not in their exact formulation but in the behaviour which they stimulate when – adapted or not – they become part of an organisation’s culture.

Amending the descriptions

3.7 Leaving the principles as they are does not mean that we cannot change the words used to describe them. Since the seven principles were first formulated our understanding of the meaning of certain words has developed. This does matter. As the Chair of the Committee’s Research Advisory Board has put it:

“Most people are not professional philosophers and while they may have very strong intuitions about certain things, those intuitions are not easily turned into analytically precise principles. But that is one reason why principles in the public domain should be clear, and should depart as little as possible from their ordinary meanings. Too much divergence breeds misunderstanding, and misunderstanding exacerbates mistrust.”³¹

3.8 Comments made to us during the course of this review, and previously, suggest there are a number of areas where the descriptions of the seven principles could usefully be brought up to date.

- The description of the present formulation of honesty refers to holders of public office having a duty to declare any conflicts of interest. The avoidance of conflicts of interest fits more obviously into our current understanding of integrity. Most people today would expect honesty to have a much broader meaning, focusing on truthfulness. This has particular resonance at the present time since a number of issues of current concern have involved allegations of inappropriate behaviour being covered up.

A focus group participant demonstrated a nuanced understanding of honesty:

“It may not be appropriate to give complete truth on something, as long as you’re not directly lying or misleading... Like you wouldn’t necessarily want to hear about the complete plans for anti-terrorism in the run up to the Olympics, so concealing that is appropriate to do so, but you wouldn’t lie about something.”³²

- Discussion around the importance of public office-holders making decisions on merit, including in our focus groups, tends to refer more frequently to impartiality than to objectivity. We think it would be helpful to include impartiality in the description of the meaning of objectivity.
- Equality of opportunity has become even more of a central tenet of thinking about ethics and values in the period since the principles were first established. We think it would be helpful to make clearer that objectivity requires giving full regard to the importance of equality of opportunity and fair treatment, irrespective of individual characteristics such as disability, race, gender or sexual orientation.
- Public office-holders sometimes need to show courage in speaking up about difficult issues, speaking “truth to power” and making or sticking by difficult decisions.³³ We see

this as a key element of ethical leadership and have amended the description of leadership accordingly.

3.9 In the course of our review a number of people suggested to us that a public organisation could have high standards yet deliver neither an effective service nor value for money. This may be true in principle. But we doubt that an organisation delivering poor service or value for money could really be described as having integrity. We also suspect that there may often be a positive empirical relationship between high ethical standards and high service standards. More to the point perhaps, while public office-holders should certainly be held to account for their use of public money, it is not the role of ethical regulators to do so.

3.10 The revised descriptions of the seven principles which the Committee will use in all future publications are set out in figure 4 (for the original descriptions see appendix 6). The revisions include some clarifications reflecting earlier research carried out for the Committee.³⁴

Figure 4: The seven principles of public life

Principle	Revised description
<i>Preamble</i>	The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs, and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.
<i>Selflessness</i>	Holders of public office should act solely in terms of the public interest.
<i>Integrity</i>	Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
<i>Objectivity</i>	Holders of public office must act and take decisions impartially, fairly and on merit, using

the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

To whom should the seven principles apply?

3.11 There is a growing area of ambiguity occupied by people contracted to deliver public services who may not be public office-holders. We strongly believe that the ethical standards captured by the seven principles should also apply to such individuals and their organisations. Like traditional public servants they are being paid public money to provide services on behalf of the community to individuals who may not have a choice about going elsewhere.

3.12 Principles are what matters in determining what people “should” do as opposed to what they might “get away with”. But the more ambiguous the circumstances (that is the less the principles might seem to an individual to be clearly applicable) the less purchase they are likely to have. This seems likely to be particularly important in the case of non-traditional suppliers of public services. Unless the principles are clearly translated into contracts and clear guidance, it is unlikely that private contractors in particular will believe that they are unambiguously applicable to them (given the likelihood of conflicts between the motives of private profit and public service), or spend time deducing from the principles how they are supposed to behave. There is therefore a responsibility on public office-holders to specify particular and proportionate ethical requirements in the contracts they let on behalf of the public sector.³⁵ This is a difficult area, the implications of which will require some effort to work out in practice. It is an issue of possible future inquiry for the Committee.

The private behaviour of public office-holders

3.13 The seven principles specifically apply to public life. Public office-holders do, of course, also have private lives, which are affected by a whole range of emotions and other factors in which the seven principles of public life are unlikely to be a major consideration.

3.14 It is important both for reasons of principle and to prevent unnecessary inhibitions on willingness to perform public roles that the privacy of the personal lives of public office-holders should be respected. The legal protection of the right to privacy under the Human Rights Act 1998 applies to public office-holders as well as to other citizens.

3.15 On the other hand, the separation between the public and private lives of public office-holders can never be absolute. There are circumstances in which private behaviour can legitimately affect an individual's employment in public office because of its impact on the reputation or integrity of the organisation concerned.

3.16 Some of these circumstances are recognised in law. If an individual is declared bankrupt or insolvent, for example, they cannot stand as a Parliamentary candidate and can be denied employment in a wide number of public posts. Others are incorporated in specific codes. The General Teaching Council for Scotland's ethical guidance to teachers, *Code of professionalism and conduct*, states that:

*"You should avoid situations both within and without the professional context which could be in breach of the criminal law, or may call into question your fitness to teach... you must uphold standards of personal and professional conduct, honesty and integrity so that the public have confidence in you as a teacher and teaching as a profession... you should maintain an awareness that as a teacher you are a role model to pupils."*³⁶

These guidelines are clearly intended to apply to teachers' private as well as public lives. The code is not statutory. But any serious breach or series of minor breaches of it could lead to an adverse "fitness to teach" finding and possible sanctions.

3.17 Whatever the law or principle might imply, the public are likely to draw conclusions about an individual's public behaviour from what they know of their private behaviour. History provides numerous examples of apparently scandalous behaviour, usually of a sexual or financial nature, casting such doubt on the suitability of politicians or others for public office that they have resigned or been removed from their posts. This is not necessarily an irrational reaction to media pressure – though it can sometimes be. It is not unreasonable for people to think that individuals who display poor behaviour or bad judgement in their private lives are at risk of doing the same in their public lives. Moreover, people's own willingness to behave well can be critically affected by what they see of the behaviour of those in leadership positions. There is no reason to think that in doing so they discriminate between behaviour in public and in private roles. One focus group participant expressed this as follows:

*"At the end of the day, if you're in a place of power, you've got to be honourable no matter what – whether you're at home in bed, or sitting and having tea with the Queen."*³⁷

3.18 We are not seeking to impose public morality on private life. But it is important to recognise that there are occasions when public and private lives can overlap and where private acts that become known can damage public confidence in office-holders and institutions. There are therefore circumstances in which it is appropriate to take account of the private behaviour of public office-holders in judging their suitability for office. Such intrusions should be exceptional, always proportionate, and only happen where the public interest clearly requires it. The Parliamentary Commissioner for Standards recently expressed it thus in recommending a revision to the code of conduct for MPs:

“I recognise the House’s concern about any intrusion into a member’s private and personal life. Like anyone else, Members are entitled to a private and personal life and for that to remain private. Any intrusion into that should be both necessary and proportionate. There needs to be a very clear public interest in such intrusion, recognising, as a rule in the Code says, that any conflict between the private and public interest must be resolved in favour of the public interest.”³⁸

3.19 In our view instances where an individual’s private behaviour might affect their public life need to be looked at case by case. They should be addressed not by a lengthy philosophical debate but by clarity about acceptable behaviours and possible sanctions.

Summary

■ ■ The seven principles of public life remain broadly relevant, but there is scope for updating what they mean in practice, particularly in respect of honesty and integrity.

■ ■ There is a growing area of ambiguity occupied by people contracted to deliver public services who may not be public office-holders. The ethical standards captured by the seven principles should also apply to such people. There is therefore a responsibility on public office-holders to specify requirements about standards of behaviour in the contracts they let on behalf of the public sector.

■ ■ Public office-holders are entitled to privacy in their personal lives. But it is important to recognise that there can be circumstances in which private behaviour can affect the reputation and integrity of a public institution, and which require an appropriate response. Such intrusion should only happen where there is a clear public interest to justify it, and should always be proportionate.

26 The Independent Commission on Good Governance, *The good governance standard for public services*, 2004, p.13.

27 *Civil Service Code*, paragraph 3.

28 Commission for Ethical Standards in Public Life in Scotland, *Annual report 2011–12*, September 2012, inside front page.

29 Public Service Ombudsman for Wales, *The code of conduct for members of local authorities in Wales: Guidance from the Public Service Ombudsman for Wales*, March 2012, pp.8–9.

30 Department of the Environment, *The Northern Ireland code of local government conduct: A code of recommended practice for the guidance of local councillors*, April 2003, pp.3–8.

31 Mark Philp, *The seven principles of public life: What they say and what they mean*, report to the Committee, 2002 (revised 2012), p.10.

32 *Qualitative research on public perceptions of ethical standards in public life*.

33 One focus group participant described the resignation of a Chief Constable because he felt that due to spending cuts he was no longer able to provide an adequate level of service as a courageous act which he attributed to the individual’s high level of personal ethical standards: “He was ambitious in the –shire police and he was a very, very fine police officer, now he’s recently stepped down because he has decided that with the money that I’m now being given I can’t provide a service to the people of –shire and he said I’m not putting my name to this... he’s walked away from it and all credit to the guy for doing that” (*Qualitative research on public perceptions of ethical standards in public life*).

The seven principles of public life (revised descriptions)

Principle	Current description	Revised description
Preamble	None	The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs, and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.
Selflessness	Serving only the public interest, never acting improperly or conferring an advantage or disadvantage on any person.	Holders of public office should act solely in terms of the public interest.
Integrity	Acting with honesty and integrity at all times and never placing yourself where this could be questioned.	Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any

Principle	Current description	Revised description
		interests and relationships.
Objectivity	Making all decisions on merit.	Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
Accountability	Being accountable for your actions and the manner in which these are carried out.	Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
Openness	Being as open as possible about your actions and being prepared to give reasons for those actions.	Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
Honesty	See 'Integrity'	Holders of public office should be truthful.
Leadership	If in a position of leadership, acting in such a way that secures and preserves confidence in your role and that of the Council.	Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.
Personal Judgement	Exercising sound personal judgement when reaching decisions and not doing what you know to be wrong.	<i>Not included in the recommended principles but catered for in their wording.</i>
Respect for Others	Exhibiting respect for others and promoting equality by not discriminating on the	<i>Not included in recommended principles. Covered already in Section 7 of the Officer</i>

Principle	Current description	Revised description
	grounds of their race, religion, age, gender, sexual orientation or disability.	<i>Code.</i>
Uphold the Law	Upholding the law on all occasions.	<i>Not included in the recommended principles. Covered already in Paragraph 1.2 of the Officer Code.</i>
Stewardship	Using resources entrusted to you by your job prudently and lawfully.	<i>Not included in the recommended principles. Covered already in Section 8 of the Officer Code.</i>

Report to Employment Panel

Agenda
Item:

A.4

Meeting Date: 12 November 2013
Portfolio: Finance, Governance and Resources
Key Decision: Not Applicable:
Within Policy and Budget Framework YES
Public / Private Public

Title: VOLUNTARY REDUNDANCY INITIATIVE
Report of: DIRECTOR OF RESOURCES
Report Number: RD59/13

Purpose / Summary:

This report advises the employment panel on the proposals to reduce staffing budgets by approximately £1 million by 1st April 2015 by a Voluntary Redundancy initiative as being proposed as part of the draft MTFP 2014/15 budget deliberations.

The report provides guidelines on how the initiative will be progressed by the Council and staff wanting to apply for voluntary redundancy. It also provides the financial cost of the initiative which is likely to be self financing in 2014/15 based on past trends.

Recommendations:

The Employment Panel is asked to note and comment on the Voluntary Redundancy Initiative which will be included in the draft 2014/15 budget proposals.

Tracking

Employment Panel:	12 November 2013
Executive:	Not applicable

1. BACKGROUND

- 1.1 The draft medium term financial plan (MTFP) for 2014/15 to 2018/19 is to be considered by the Executive on the 18th November as part of the 2014/15 budget deliberations.
- 1.2 The draft MTFP will detail the budget pressures the Council needs to fund and savings initiatives required to deliver a balanced budget over the next 5 years.
- 1.3 The draft MTFP will set out a requirement to identify £1.839m in savings to be delivered for 1st April 2015 (with further savings in future years).
- 1.4 With staffing costs being by far the biggest item of the Council's controllable expenditure, significant staffing savings will need to be identified in meeting the £1.839m target.
- 1.5 The Council's policy is to only consider compulsory redundancies as a final resort. In the circumstances savings proposals being considered as part of the 2014/15 budget deliberations will include an initiative to invite written requests for voluntary redundancies from Carlisle employed staff across all directorates (excluding Revenues and Benefits shared service).

2. HOW THE VOLUNTARY REDUNDANCY INITIATIVE WILL OPERATE

2.1 Policy Guidelines

The Council's redundancy policy states that 'Carlisle City Council will make every effort to avoid compulsory redundancies, taking into account costs and service delivery'. As the Council is required to make significant savings by 1st April 2015, and to avoid unnecessary distress to employees, proposals set out in the 2014/15 budget deliberations include an invitation for staff to take voluntary redundancy.

- 2.2 It is good practice to seek volunteers and has the advantage of not being a compulsory scenario. A compulsory redundancies scenario could have an adverse effect on employee relations and would provide a long period of uncertainty during which the various statutory processes and procedures would have to be undertaken.
- 2.3 Statutory consultation applies if the proposed redundancies are 20 or more (counting both voluntary and compulsory redundancies). As it is envisaged that approximately 40 – 45 voluntary redundancies will be supported, the Council will

consult with unions and employees, whilst at the same time allow individuals the right to request indicative figures from Human Resources (HR). Applications will then be invited, considered and a decision on the request will be made based on the criteria defined in Appendix 2.

- 2.4 The following guidelines will support the process and ensure that all requests are considered in a fair and transparent way.

Appendix 1: Outlines the timeframe for progressing the voluntary redundancy initiative.

Appendix 2: Outlines the criteria for considering requests for voluntary redundancy.

Appendix 3: List of questions and answers.

Appendix 4: Voluntary Redundancy application Form.

3. INDIVIDUAL CONSIDERATIONS

- 3.1 Employees considering making a request for voluntary redundancy will be encouraged to discuss their position with their manager and request indicative figures from HR.
- 3.2 HR will provide indicative figures for redundancy pay and pension estimates (if applicable) the figures will be collated and at this stage individual requests will be confidential.

3.3 Written Request for Voluntary Redundancy

Employees will have time to consider their individual position. If they wish to apply for Voluntary Redundancy, they must do so by completing the Voluntary Redundancy application form (Appendix 4) which must be submitted to HR by the date referred to in Appendix 1, the timeframe. This form will be supplied by HR who will collate all requests. Directors, Managers, HR and Finance will be asked to provide a view regarding the request, which will be based on the service implications of the loss of the post.

- 3.4 Chief Officers will make the decision based on the criteria outlined in appendix 2. All applications will be considered but Chief Officers reserve the right to determine release, taking into account current and future operational requirements. Portfolio holders will also be consulted where service provision factors need to be taken into

account. The outcome of a request for voluntary redundancy will then be advised to requestee i.e. –

(i) Accepted

Employees will be given notice in line with their contract or legislation requirements and it is expected that all employees accepted for Voluntary Redundancy will leave the Council during early April and May 2014.

The letter of notice will outline their redundancy calculations, pension options and the notice period and end date.

(ii) Declined

If an employee has been declined the Board will write to the employee advising them of the outcome and their right to appeal this decision.

3.5 **Appeal**

If an employee disagrees with the decision to refuse their request for VR they have the right of appeal, this must be made in writing within 14 days of the letter advising them of the outcome stating the reason for the appeal and will be heard by the Chief Executive (or another Chief Officer).

If the employee is dissatisfied with this decision an appeal may be made to Members, this must be done in writing within 14 days of the letter confirming the outcome of appeal to the Chief Executive.

4. **FINANCIAL CONSIDERATIONS**

- 4.1 In appendix 5 is an analysis of staff salaries and redundancy/pension costs of the 25 staff that have left the Council under service transformation/efficiency initiatives over the last 18 months.
- 4.2 This analysis details age-ranges, length of service, salary, redundancy/pension costs on a cumulative basis. The analysis suggests that the cost of implementing a voluntary redundancy scheme based on past trends is approximately one year's salary per member of staff in redundancy and pension costs. The actual figure could be more or less depending on how many staff in the age range 55 – 59 are released under the initiative.
- 4.3 To fund the voluntary redundancy initiative and make the targeted £1million savings affective from the 2015/16 financial year, staff taking voluntary will be required to

leave the Council on the 1st April 2014 or as soon as practical after that date if on a longer notice period (3 months). The timeframe set out in appendix 1 achieves this objective.

- 4.4 The analysis at appendix 5 suggests that approximately 40 – 45 staff will leave the Council under the initiative to save the targeted £1 million in staffing savings. The cost of their redundancy/pension package averaging approximately £23,000 per member of staff leaving under VR would be met from the 2014/15 staffing budget as their salaries will no longer be paid during 2014/15.

5. CONSULTATION

- 5.1 Further consultation with the Trade Unions and staff (as set out in paragraph 2.3 above).

6. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 6.1 This report advises the employment panel of the proposals to reduce staffing budgets by approximately £1 million by 1st April 2015 by a Voluntary redundancy initiative as being proposed as part of the draft MTFP/2014/15 budget deliberations.
- 6.2 The report provides guidelines on how the initiative will be progressed by the Council and staff wanting to apply for voluntary redundancy. It also provides the financial cost of the initiative which is likely to be self financing in 2014/15 based on past trends.

7. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 7.1 To ensure that a balanced budget is set.

Contact Officer: Peter Mason Ext 7270
Director of Resources

Appendices attached to report:	Appendix 1 - Time Frame for voluntary redundancy selection and notice. Appendix 2 - Selection process for applications for voluntary redundancy. Appendix 3 – Frequency asked questions. Appendix 4 - Application for Voluntary Redundancy and Consideration for Voluntary Redundancy Form. Appendix 5 - Summary from 01/04/2012 to 30/09/2013
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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – not applicable

Community Engagement – not applicable

Economic Development – not applicable

Governance – The Report is for information purposes and to request Member comment. With the agreement of Members, via discussions and consultation, the Head of the Paid Service will invite applications for Voluntary Redundancy and record this in an Officer Decision Notice. The proposal is within the Council's approved, relevant policies.

Local Environment – not applicable

Resources – In order to achieve a balanced budget the Council needs to identify significant savings with the draft 2014/15 budget currently estimating savings of £1.839million being required for 2015/16. The strategy to achieve these savings includes this Voluntary Redundancy Initiative and the financial implications of the proposal are set out in the main body of the report. Recurring savings of £1million have been assumed from 2015/16; with the expectation that the scheme be self financing in 2014/15 i.e. salary savings (as a result of the vacant redundant post) in 2014/15 being utilised to fund the cost of redundancy. These assumptions will form part of the 2014/15 budget proposals which will be considered by the Executive later this month.

There is a risk that take up is low and the savings target not achieved for 1st April 2015 and that the annual salary saving is not sufficient to fund the costs of redundancy. Members should note that there is still approximately £150,000 left within the Transformation Reserve which could be utilised to fund any shortfall, subject to the approval of the Executive.

HR Advisory Services have been fully involved in the preparation of this report.

APPENDIX 1

Time Frame for voluntary redundancy selection and notice.

Activity	October	November	December	January	February	March	April	May
SMT/PORTFOLIO HOLDERS	<ul style="list-style-type: none"> Wk 2 	<ul style="list-style-type: none"> Officer Decision Notice to Executive (18/11/13) 	<ul style="list-style-type: none"> Executive (16/12/13) Part of budget process for funding 					
Communication & Consultation		<ul style="list-style-type: none"> 15/11/13 start 	<ul style="list-style-type: none"> 					
Employee confidential request for figures		<ul style="list-style-type: none"> 15/11/13 start 	<ul style="list-style-type: none"> 					
Application cut off			<ul style="list-style-type: none"> 20/12/13 					
Consideration / selection				<ul style="list-style-type: none"> Completed by 31/01/14 				
Costing		<ul style="list-style-type: none"> As requested 	<ul style="list-style-type: none"> As requested 					
Decision					<ul style="list-style-type: none"> 01/02/14 (to allow for letters etc) 			
Notice *					<ul style="list-style-type: none"> 01/02/14 start 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	
Leave							<ul style="list-style-type: none"> 01/04/14 onwards 	<ul style="list-style-type: none">
Appeals					Appeals	<ul style="list-style-type: none"> 		

*Notice periods of up to 12 wks (depending on length of service).

APPENDIX 2

Selection process for applications for voluntary redundancy.

The following criteria and any other factors or circumstances will be considered in determining whether a request by an employee to volunteer for redundancy will be accepted.

- The cost of Council in making the redundancy.
- The current and future business needs of the service concerned.
- The need to retain particular skills, knowledge and expertise.
- Any individual factors relevant to the applicant which are identified.

It is envisaged that any post lost due to voluntary redundancy will not be replaced; in the interest of business continuity a grade for grade move may be acceptable.

Chief Officers, with advice from Managers, Finance and HR, will have authority to select from the requests for voluntary redundancy.

APPENDIX 3

Frequently asked Questions

1) Why is the Council asking people to consider Voluntary Redundancy?

The Council have undergone major transformation in recent years, which has saved approximately £6 million, which is a fantastic achievement. This has included a number of changes to the way the organisation delivers the service and has had a huge impact on employees. Whilst the Council are extremely proud of the way employees have responded to the changes implemented it can not avoid the need for further savings. The Council would like to reduce the level of distress and disruptions brought about by the need for further savings, and have elected to invite requests for Voluntary Redundancies.

2) I am a member of the Revenue and Benefits shared service team; will I be included in this call out for Voluntary Redundancies?

At this moment shared service is not included in this exercise; we will recommend that Revenue and Benefits Strategic Board consider this as an option available to them to make efficiency savings. However this will be to a different (and later) timescale and the three Councils in the Shared Service would need to support the initiative.

3) How do I make a request for Voluntary Redundancy?

In the first instance you may want to ask HR for indicative figures, this may include the amount you may be paid in redundancy and pension, the estimated pension figures will be dependent on your age and potential additional costs to the Council. This will be an expression of interest and will not bind you to a request for Voluntary Redundancy. Although we may gather numerical data we will not disclose who has requested figures.

Following receipt of this information, you may then wish to apply for Voluntary Redundancy. You will be required to complete the Voluntary Redundancy application form and submit to HR within the timescales referred to within the guidelines.

4) Who will consider my application for Voluntary Redundancy?

Chief Officers will make the decision regarding approval for Voluntary Redundancy, your Manager, HR and Finance will provide a view reflecting organisational considerations. The criteria referred to in the guidance notes will ensure that a fair process is adopted.

5) What happens if the Council refuses my application?

The Council will use the criteria referred to in the guidelines when considering applications for Voluntary Redundancy, if you feel that the decision is unfair then you will have a right of appeal. The appeal process is covered in the guidelines.

- 6) What happens if I make a request for Voluntary Redundancy and then change my mind?

The process has been introduced to provide an opportunity for the Council to save funds and avoid the need for Compulsory Redundancies. Once you have been accepted and given formal notice of your leave date then you will have no right to change your mind, unless you have special circumstances.

- 7) What if I do not think my post should be made redundant but I am willing to apply for Voluntary Redundancy?

At the time of the application individuals are asked to comment on the impact of losing the post on the team. It may be possible to apply, based on the fact that another individual within the Council could make a sideways move into the post you are vacating. Therefore saving a job, however this will require careful consideration and a number of factors will apply, including transferable skills and knowledge. It is recommended that in such circumstances you put in a request for Voluntary Redundancy and the Chief Officer will consider the impact of your request on the service.

- 8) What happens if more than one post holder within a team submits a request for Voluntary Redundancy?

In the first instance the criteria referred to in the guidelines (Appendix 2) will be considered, if more than one person as you describe meets the criteria, and as this is a cost saving exercise the Chief Officer will select on the basis of cost, unless some other relevant factor applied to this scenario.

- 9) If I am accepted for Voluntary Redundancy what additional support can I expect to receive from the Council.

The Council continue to provide excellent support to all employees, in the case of Voluntary Redundancy, employees will have access to training on job application and interview techniques and other planned training delivered before you're leaving date.

During the period of notice of redundancy, employees will be entitled to reasonable time-off with pay during working hours, provided the Council's permission is first obtained, to look for new employment or to make arrangements for training for future employment.

As this is a cost saving exercise it will not be possible to request additional bespoke training or development.

10) What happens if I have been accepted for Voluntary Redundancy and I secure a job elsewhere, could I leave before my expected leave date?

To qualify for redundancy pay, employees must work up to the date on which the notice of redundancy expires.

Employees wishing to leave before their notice expires may do so with the Council's prior agreement, which if granted, will entitle the employee to redundancy pay.

The Council's consent will not be unreasonably withheld, but employees leaving early without consent may lose their right to redundancy payment.

An employee who resigns in anticipation of redundancy will not be entitled to redundancy pay.

11) How is Voluntary Redundancy Calculated?

The Council will use the discretion it has under Local Government Pension Scheme legislation to make an enhanced payment to employees who leave through redundancy.

The Council will make a compensatory payment based on one of the following options:

- a) a redundancy payment of 2.5 times the statutory redundancy payment (but based on actual weeks pay)
- or*
- b) a redundancy payment which is equal to the statutory redundancy payment plus augment the employee's pension service by an amount of service which would result in the same cost to the Council as if the employee had received the payment in (a) above.

The choice of (a) or (b) to be the employee's, subject to any restrictions imposed by LGPS legislation. Only employees who are members of the pension scheme would be able to choose (b).

Redundancy payments will be based on actual pay where this exceeds the statutory cap on earnings

Example

Example: Employee Y has 10 years service, is aged 40 years and earns £15,000 per year. His/her statutory redundancy payment would be £2,877 (ten weeks at £287.68 per week). His/her enhanced redundancy payment 2.5 times that amount i.e. £ 7,193 so they may choose £ 7,193 payment or £2,877 plus £4,316 worth of additional pension service.

12) I believe that I meet the '85 year rule' how would Voluntary Redundancy affect me?

This facility has been phased out and very few current Council employees are in fact eligible, if you think you are eligible then you are advised to discuss this with the H.R Advisor.

This facility currently allows members of the Local Government Pension Scheme between the age of 55 and 60 to apply for early retirement under the "rule of 85" if their service (in whole years) and their age (in whole years) adds up to 85. However, as in all cases of early retirement the employer must make restitution to the Pension Fund for early payment of benefits. Therefore all applications for payment of retirement benefits under this provision will be considered on an individual basis and will only be approved if it can be demonstrated to be in the Council's interest to do so.

Any employee who is dissatisfied with the decision on their request for retirement under the '85 year rule' has the right to appeal as set out in the Redundancy and Early Release Schemes Policy.

13)What if I have further questions?

Please forward your query to the HR Advisory Services Team Leader, Julie Kemp.

Appendix 4

Application for Voluntary Redundancy

Name:	Directorate:
Post:	Service:

Have you requested indicative figures for redundancy from H.R.

YES / NO

Using the box below explain your reasons for requesting Voluntary Redundancy.

Using the box below explain how your request could be managed within the team?

[illegible]

Signed _____ Date _____

Please return to HR by the 20/12/13.

Office Use

Redundancy cost: _____ Pension Cost: _____

Notice Period: _____

Date Received: _____

**APPENDIX 5 Summary from 01/04/2012 to 30/09/2013
of the status of staff leaving under service efficiency initiatives**

Age Bracket	Total Numbers left	Average Length of service	Average Salary	Average individual redundancy cost	Average Actuarial Pension total number of payouts	Average Actuarial Pension cost	Average Total Cost	Total Voluntary Redundancy	Total Compulsory Redundancy	Number of current workforce in each age range (also as a %) - 26.09.13
19 or under	0	0	£0.00	£0.00	0	N/a	£0.00	0	0	2 (0.36%)
20 – 24	0	0	£0.00	£0.00	0	N/a	£0.00	0	0	12 (2.1%)
25 – 34	4	4.25	£17,779.00	£4,133.00	0	N/a	£4,133.00	3	1	101 (17.9%)
35 – 49	6	9.3	£22,458.00	£12,907.00	0	N/a	£12,907.00	1	5	228 (40.5%)
50 – 54	4	13.5	£22,964.00	£22,003.00	0	N/a	£22,003.00	2	2	76 (13.5%)
55 - 59	5	20.8	£24,078.00	£30,146.00	2	£39,179.50	£45,817.60	4	1	90 (16%)
60+	6	15.8	£27,134.00	£27,258.00	0	N/a	£27,258.00	4	2	54 (9.6%)
Total	25	12.73	£580,914.00	£496,264.00	2	£78,359.00	£574,622.00	14	11	563

Notes:

Average Actuarial Pension costs only paid for age range 55-59

Report to Employment Panel

Agenda
Item:

A.5

Meeting Date: 12TH NOVEMBER 2013

Portfolio: Cross Cutting

Key Decision:

Within Policy and

Budget Framework YES

Public / Private Public

Title: MANAGEMENT ARRANGEMENTS FOLLOWING DEPARTURE
OF DIRECTOR OF COMMUNITY ENGAGEMENT

Report of: TOWN CLERK & CHIEF EXECUTIVE

Report Number: CE 13/13

Purpose / Summary:

The purpose of this report is to seek agreement of the panel to new management arrangements following the departure of the Director of Community Engagement. The overriding principles defining these proposals are as follows.

- The deletion of a Chief Officer post, saving the authority £76,600 including on-costs
- The allocation of further direct responsibilities to the Deputy Chief Executive and the Chief Executive
- The temporary allocation of the Housing Team to the Director of Economic development pending the outcome of a review of the function
- The transfer of Revenues & Benefits to the Resources directorate

The simple reallocation of responsibilities following a departure is the simplest option and, it could be argued, misses the opportunity of a deeper reorganisation. My firm view is that now is not the time for that deeper consideration of structure. Members will be aware that the Council will need to deliver a further £1.8M of savings for 2015/16. Delivery of those savings will inevitably require significant “business change” and that will be the best time to build a new structure. All structures are temporary to some degree, but this should be considered an arrangement pending significant change over the next two years.

Nevertheless staff require reporting lines and members need to know who's accountable for particular functions. These proposals will meet those needs right now. Appended to this report is the proposed new structure (Appendix 1)

Recommendations:

It is recommended that members of the Employment Panel:

1. Note and comment upon the changes to the structure proposed
2. Recommend to Council the deletion of the post of Director of Community Engagement
3. Recognise that significant reorganisation will be a feature of the delivery of further savings over the next two years

PROPOSALS

This report outlines each of the responsibilities in the former directorate, where it is proposed they will now sit and the reasoning for that proposal.

Revenues and Benefits

To transfer to the Resources Directorate. This service sits comfortably alongside finance and does so in most authorities. The relationship with customer services is strong and does not require both services in the same place.

Customer Services

To become part of the Chief Executive's Team. This will help to give an overall corporate focus to the service – particularly as some important elements of business change in the future will require the energetic cooperation of other departments.

Housing

To temporarily transfer in its entirety (except Welfare Advice) to the Economic Development directorate. This is pending the outcome of a review of the homelessness service; once this is complete further decisions about location and structure will be made.

Contracts and Community Services & Partnership Manager

These functions will report to the Deputy Chief Executive. This will also ensure that some key projects that require high-level leadership (e.g. Arts Centre and leisure contract) will benefit from being within the Deputy's control.

There are additionally two posts – which provide administrative and technical support to a wide range of functions, particularly events and housing. These posts will transfer to the Chief Executive's Team.

Consultation with staff

Affected members of staff have been consulted about these proposed changes. I have offered to bring any comments that they wish to be raised to the attention of the employment panel and there are none.

Recommendations:

It is recommended that members of the Employment Panel:

1. Note and comment upon the changes to the structure proposed
2. Recommend to Council the deletion of the post of Director of Community Engagement
3. Recognise that significant reorganisation will be a feature of the delivery of further savings over the next two years

Contact Officer: Jason Gooding

Ext: 7001

Appendices

Appendix One: Proposed Structure Chart

attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS/RISKS:

Governance – Under Section 4 of the Local Government and Housing Act 1989 the Head of the Paid Service is required to prepare a report to Council setting out proposals for the manner in which the discharge of the Council's functions is co-ordinated; the number and grades of staff required by the Council for the discharge of their functions; the organisation of the Council's staff; and the appointment and proper management of the Council's staff.

In Article 12 of the Constitution the Council has designated the Chief Officer posts within the Authority. Further, the Head of the Paid Service is delegated the power to determine and publicise a description of the overall structure of the Council, including the management structure and the deployment of officers. The Employment Panel is able to determine terms and conditions of employment. In relation to the deletion of a Chief Officer post it may make a recommendation to the Council.

Resources - The proposed deletion of the Director's post will generate a saving of £76,600 per annum which will form part of the Council's transformation savings target.

Changes to the organisational structure will require action on the part of HR Services and include notification to staff on changes to the reporting lines. The proposal highlights the need to review the current disciplinary and grievance process and to consider the benefits of delegating responsibilities. HR will review this in conjunction with the Chief Executive and appropriate Director and proposals will form part of a report to a future meeting of the employment panel.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

Carlisle City Council's Structure



