

EMPLOYMENT PANEL

TUESDAY 12 NOVEMBER 2013 AT 4.00PM

PRESENT: Councillor Glover (Chairman), Councillors P Atkinson, J Mallinson, Mitchelson, Stothard and Weber.

OFFICERS: Town Clerk and Chief Executive
Director of Governance
Financial Services & HR Manager
Organisational Development Officer
H.R Advisory Service Team Leader

EMP.14/13 APOLOGIES FOR ABSENCE

No apologies for absence were submitted at the meeting.

EMP.15/13 DECLARATIONS OF INTEREST

There were no declarations of interest affecting the business to be transacted at the meeting.

EMP.16/13 MINUTES OF PREVIOUS MEETINGS

RESOLVED – That the minutes of the meetings held on 10 May 2013 and 20 May 2013 be agreed as a correct record of the meetings and signed by the Chairman.

EMP.17/13 FLEXTIME AND TIME OFF IN LIEU (TOIL)

The Organisational Development Manager submitted report CE.11/13 giving details of the updated flexitime and new Time Off in Lieu (TOIL) schemes which had been developed.

The Organisational Development Manager reported that the City Council flexi scheme had received the most comments in the annual Employee Opinion Surveys and employees continued to be concerned that the scheme was interpreted in different ways across the authority. An outcome of the 2013 Employee Opinion Survey had been to review and update the flexi scheme and to produce guidance on TOIL which did not have a policy despite being used by many teams.

The Organisational Development Manager outlined the key differences between the proposed new scheme and the existing scheme highlighting a change to the Scheme following consultation. The Scheme that had gone out to consultation set out that employees would be able to take one day flexi leave, pro rata for part time employees, each month. Feedback from staff consultation highlighted issues for part time employees who did not work each day as they would not be able to take a whole day off. As a result the Scheme had been amended to allow part time employees to take one day flexi leave every two settlement periods.

She explained that the new TOIL Scheme Guidance, which had been attached to the report, was based on good practice from other organisations; she then outlined the key features of the scheme.

The Town Clerk and Chief Executive reported that he had met with seven members of staff who raised extensive objections regarding the proposed Scheme. He had assured those members

of staff that he would pass their objections onto the Panel. Four of the employees had objected to the change in start time of the bandwidth and this had now been amended to 7.30am. Some of the employees had felt that having three schemes was too complicated and a higher carry forward figure would eliminate the need for three schemes. SMT had considered the suggestion and felt that the Flexibank option allowed a planned approach to work with the time being taken within an agreed timeframe. Some staff also felt that one day's flexi leave a month was too restrictive but SMT felt that one day per month on top of annual leave was proportionate.

The anxiety that staff had regarding the changes came from the concern that the Scheme would not be managed effectively across the authority in a fair and consistent manner. The Town Clerk and Chief Executive felt that any inconsistency could be addressed quickly and easily.

The Panel discussed ways to ensure that the Scheme was being administered in a fair and consistent manner including sharing flexi balances with team members. Each manager received a copy of the weekly flexi balances for everyone in their team for monitoring purposes, each employee also received an electronic document of their previous four weeks flexi bookings and balances.

The Panel were of the opinion that the Scheme and guidance were well written and would be well managed and asked that a question be included in the 2015 Employee Opinion Survey to gauge the success of the changes.

RESOLVED – 1) That the updated Flexitime Scheme and the new Time Off In Lieu Scheme as set out in report CE.11/13 be approved.

2) That the 2015 Employee Opinion Survey include a question with regard to the new Flexitime and Time Off In Lieu Schemes.

EMP.18/13 COMPUTERS FOR STAFF

The Organisational Development Manager presented report CE.12/13 outlining a scheme for staff to purchase computers for work or home use.

The Organisational Development Manager reminded the Panel that the Saving Paper Task and Finish Group, which had been established by the Resources Overview and Scrutiny Panel, had suggested that Members could purchase a suitable tablet device via deductions from their allowance as part of a move towards paperless meetings. As part of the Task Group the Finance, Governance and Resources Portfolio Holder asked members of the Employee Benefits Working Group to develop a scheme for staff to buy computers.

The 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. The cost of the chosen device would be taken in equal monthly instalments from the employee's salary over 12 months. She stressed that the scheme was not a salary sacrifice scheme so costs would be taken from net rather than gross salary.

The City Council reserved the right to refuse an employee's application for a computer for a number of reasons as set out in the report; all requests would be considered by the Director of Resources. Employees who left the City Council before fully repaying for a computer would be required to complete payment either through a deduction to final pay, or if this would cause hardship, a payment programme could be negotiated.

She outlined the procedure employees would have to follow to purchase a computer and how the adjustments to employees pay would be made and how the computers would be supplied to employees. She added that the Council would have to pay for the computers up front and approval would need to be sought from the Executive to incur the initial expenditure.

Staff consultation had not been carried out to date and as a result any estimates included in the report were of an anecdotal nature. It was agreed that the Organisational Development Manager would ask for expressions of interest from staff to obtain an indication of numbers before the matter was considered by the Executive.

The Director of Governance asked the Panel to give consideration to the classification of the Scheme as either a term and condition of employment or as discretionary benefit with the right to be reserved by the Council to withdraw the Scheme. If the Scheme was deemed to be discretionary it would need to be explicitly stated in documentation and underpinned by an agreement between the Council and the employee.

RESOLVED – 1) That the Computers for Staff Scheme be approved, in principle, subject to a consultation being undertaken with staff and approval for incurring expenditure being requested of and approved by the Executive.

2) That the Computers for Staff Scheme be classed as a discretionary benefit details of which would be set out clearly in the Scheme and necessary contracts.

EMP.19/13 SALARY SACRIFICE CAR SCHEME

The Organisational Development Manager presented report RD.57/13 outlining a proposal to introduce a Salary Sacrifice Car Scheme for employees that would allow the Council to make financial savings from National Insurance contributions and mileage reimbursements, and be nil cost to the Council to operate.

The Organisational Development Manager outlined the principles of Salary Sacrifice Car Schemes explaining that, from the Council's perspective, the Scheme allowed the Council to provide an additional benefit to the employee at no additional cost with the potential to achieve savings (depending on how the Scheme was set up). For taxation purposes the vehicles would invoke Benefit in Kind tax liability (BiK) for the employee. The employee would give up a proportion of salary in return for the provision of the salary sacrifice vehicle. The advantage for the employee with a Salary Sacrifice Scheme was that the reduction in gross salary resulted in savings on income tax and national insurance contributions which more than offset the BiK liability.

A further benefit for the Council was a reduction in the cost of fuel reimbursement via mileage claims. The Council paid 52.2pence per mile for an employee using their own car or 40.9pence per mile for essential users. All employees who took a salary sacrifice car would only be able to claim mileage at the lower company car rate of 10.3pence per mile.

The Scheme would be provided through a framework agreement accessed through Sector, the Council's Treasury Services Advisors. The Organisational Development Manager went on to outline the benefits of the Scheme to the Council and to the employee and the potential savings to the Council from the implementation of the Scheme.

A Salary Sacrifice Scheme was not without risk and issues that needed to be managed, however, the Scheme could be set up in such a way as to mitigate the impact of most, if not all, of the risks which had been outlined in section 5.1 of the report.

The Organisational Development Manager reported that, if the Employment Panel were supportive of the introduction of the Scheme, a consultation period would be held with staff. As part of the consultation the Executive would be asked to give authority to incur expenditure for the Scheme should it be approved. It was also recommended that the Employment Panel agree in principle the policy decisions as set out in section 8.2 of the report to progress a Salary Sacrifice Car Scheme.

Members requested that a report be submitted to the Panel in twelve months time giving an update on all of the Employee Benefits that were available and how successful they had been.

RESOLVED – 1) That the introduction of a Salary Sacrifice Car Scheme for employees be approved, including the policy decisions included at 8.2 of report RD.57/13, 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) That a report be submitted to the Employment Panel in twelve months time reviewing all of the Employee Benefits available.

EMP.20/13 OFFICER CODE OF CONDUCT: PRINCIPLES IN PUBLIC LIFE

The Director of Governance presented report GD.54/13 which proposed amendments 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.

The Director of Governance reminded the Panel of the Officer Code of Conduct and highlighted a report published in January 2013 by the Committee on Standards in Public Life (CSPL). The CSPL's work related to standards of conduct of all holders of public office and its reports and recommendations formed the basis of the Council's existing standards framework and, in particular, the principles of conduct. The report covered a wide range of issues including a recommended revision to the "seven principles of public life". The CSPL were of the view that the principles should apply to public office holders and their organisations.

Whilst Elected Members were clearly holders of public office, it was also the case that Council officers worked for a public organisation and received 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.

In summary the CSPL had decided that the principles should remain the same as promoted by Lord Nolan but recommended that descriptions be updated. A table which showed the existing wording and the revised wording had been included in the report at Appendix 2. Appendix 2 also showed what was included currently in the Officer Code Principles but which was recommended to be omitted from the revised principles on the basis that it was included elsewhere in the Officer Code.

Members had a general discussion regarding the standards of conduct expected of staff and also standards the Council to achieve to be a good employer.

RESOLVED – That Employment Panel approve the Committee for Standards in Public Life's recommended updating to the wording associated with the "seven principles of public life" as set out in report GD.54/13 and that the Council's Officers' Code of Conduct be amended to incorporate the said updated wording.

EMP.21/13 VOLUNTARY REDUNDANCY INITIATIVE

The Town Clerk and Chief Executive presented report RD.59/13 regarding proposals to reduce staffing budgets by approximately £1million by 1 April 2015 through a Voluntary Redundancy initiative as being proposed as part of the draft medium term financial plan (MTFP) 2014/15 budget deliberations.

The Town Clerk and Chief Executive reported that the draft MTFP for 2014/15 to 2018/19 set out a requirement to identify £1.839m in savings to be delivered for 1 April 2015 with further savings in future years. With staffing costs being by far the biggest item of the Council's controllable expenditure significant staffing savings would need to be identified in meeting the target. The Council's policy was only to consider compulsory redundancies as a final resort. In the circumstances savings proposals being considered as part of the 2014/15 budget deliberations would include an initiative to invite written requests for voluntary redundancies from Carlisle employed staff across all directorates excluding the Revenues and Benefits Shared Service.

The Chief Executive reminded the Panel of the Council's redundancy policy highlighting the requirement for statutory consultation with unions and employees, whilst at the same time allowing individuals the right to confidentially request indicative figures from Human Resources.

Employees considering making a request for voluntary redundancy would be encouraged to discuss their position with their manager and if they wished to apply they must do so by completing the Voluntary Redundancy application and submitting it to HR within the set timeframe (as set out in appendix 1 of the report). Directors, Managers, HR and Finance would be asked to provide a view regarding the request, which would be based on the service implications of the loss of the post. Chief Officers would then make the decision based on the criteria outlined in appendix 2 of the report. Portfolio Holders would be consulted where service provision factors needed to be taken in to account.

If an employee disagreed with the decision to refuse their request they would have a right of appeal which must be made in writing within 14 days of the letter advising them of the outcome. The employee must state the reason for the appeal which would be heard by the Chief Executive (or another Chief Officer). If the employee was dissatisfied with the decision an appeal may be made to Members, this must be done in writing within 14 days of the letter confirming the outcome of the appeal to the Chief Executive.

An analysis of staff salaries and redundancy/pensions costs of the 25 staff that had left the authority under service transformation over the last 18 months had been included in the report. The analysis suggested that the cost of implementing a voluntary redundancy scheme based on past trends was 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 was released under the initiative.

To fund the initiative and make the targeted £1million savings effective from the 2015/16 financial year, staff who took voluntary redundancy would be required to leave the Council on 1 April 2014 or as soon as practical after that date.

The analysis suggested that approximately 40 – 45 staff would be required to leave the Council under the initiative to save the targeted £1million 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 would no longer be paid during 2014/15.

The Panel raised concerns regarding the appeals process and the need for Member Appeal Panels. The Town Clerk and Chief Executive explained that SMT had considered the process and felt that employees should have a right of appeal. The Director of Governance added that the remit of the Appeals Panel was set out in the Council's Constitution. The H.R Advisory Service Team Leader reminded the Panel that the appeals process was contained in the Council's existing Policy.

In response to questions the Town Clerk and Chief Executive stated that the voluntary redundancies would result in areas of change which Members could consider individually. Officers would continue to ensure services were delivered in innovative ways regardless of the Voluntary Redundancy initiative.

RESOLVED – That the Voluntary Redundancy Initiative which has been included in the draft 2014/15 budget proposals be noted.

EMP.22/13 MANAGEMENT ARRANGEMENTS FOLLOWING DEPARTURE OF DIRECTOR OF COMMUNITY ENGAGEMENT

The Town Clerk and Chief Executive submitted report CE.13/13 seeking agreement of the Panel to new management arrangements following the departure of the Director of Community Engagement.

The Town Clerk and Chief Executive explained the overriding principals defining the proposals:

- 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 and Benefits to the Resources Directorate
- The transfer of Customer Services to the Chief Executive's Team.

The Town Clerk and Chief Executive stated that the simple reallocation of responsibilities following a departure was the simplest option and, it could be argued, missed the opportunity of a deeper reorganisation. His firm view was that it was not the time for a deeper consideration of structure. Delivery of the £1.8m savings for 2015/16 would inevitably require significant "business change" and that would be the best time to build a new structure. All structures were temporary to some degree and this should be considered an arrangement pending significant change over the next two years.

The proposals as set out in the report clarified staff reporting lines and met Members need to know who was accountable for particular functions.

Members agreed that the changes set out in the report were a sensible and pragmatic solution but had concerns regarding the future management structure of the Council. The Town Clerk and Chief Executive clarified that the new structure had 1 Chief Officer for every 85 members of staff. He agreed that the changes had been driven by austerity and it would not have been prudent to replace a Chief Officer post and make other members of staff redundant. There would be a lot of business changes made in the future and this could include further changes to the management structure.

RESOLVED – 1) That the changes to the structure as proposed in report CE.13/13 be noted;

- 2) That it be recommended to Council that the post of Director of Community Engagement be deleted;
- 3) That the Employment Panel recognises that significant reorganisation will be a feature of the delivery of further savings over the next two years

(The meeting finished at 5.47pm)