

AGENDA

Employment Panel

**Monday, 11 February 2019 AT 15:00
In the Slupsk Room, 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 the Previous Meeting

5 - 6

To note that Council, on 11 September 2018, received and adopted the minutes of the meeting held on 19 July 2018. (Copy Minutes Herewith)
The Minutes will be signed by the Chairman.
Minute Book Volume 45(2)

PART A

To be considered when the Public and Press are present

A.1 CHIEF OFFICERS PAY POLICY STATEMENT 2019/20 7 - 20

The Corporate Director of Finance and Resources to submit a report on the annual review of the Chief Officers Pay Policy Statement 2019/20.

(Copy Report RD.40/18 herewith)

A.2 PENSIONS DISCRETIONS 21 - 40

The Corporate Director of Finance and Resources to submit a report on Pension Discretions.

(Copy Report RD.41/18 herewith)

PART B

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

- NIL -

REPORTS SUBMITTED FOR INFORMATION ONLY 41 - 72

WORKFORCE DEVELOPMENT PLAN

The Corporate Director of Finance and Resources to submit an update on the Workforce Development Plan.

(Copy Report RD.38/18 herewith)

APPRENTICESHIPS 73 - 76

The Corporate Director of Finance and resources to submit a report on apprenticeships.

(Copy Report RD.39/18 herewith)

Members of the Employment Panel

Conservative: Bloxham, Mallinson J, Mitchelson, Mrs Bowman (sub), Ellis, (sub), Layden (sub)

Labour: Glover, Stothard, Tickner, Alcroft (sub), Crawford (sub), Quilter (sub)

Enquiries, requests for reports, background papers etc to:

Rachel Plant, Democratic Services Officer, (01228) 817039 or rachel.plant@carlisle.gov.uk

Minutes of the Previous Meeting

EMPLOYMENT PANEL

THURSDAY 19 JULY 2018 AT 3.30PM

PRESENT: Councillors Bloxham, Crawford (as substitute for Councillor Stothard), Glover, Mallinson J, Mitchelson and Tickner

OFFICER: Town Clerk and Chief Executive

EMP.07/18 APPOINTMENT OF CHAIRMAN

The Democratic Services Officer sought nominations with regard to the appointment of a Chairman for the Panel.

It was moved and seconded that Councillor Glover be appointed Chairman of the Employment Panel for the Municipal Year 2018/19.

RESOLVED – That Councillor Glover be appointed Chairman of the Employment Panel for the Municipal year 2018/19.

EMP.08/18 APPOINTMENT OF CHAIRMAN

It was moved and seconded that Councillor J Mallinson be appointed Vice Chairman of the Employment Panel for the Municipal Year 2018/19.

RESOLVED – That Councillor J Mallinson be appointed Vice Chairman of the Employment Panel for the Municipal year 2018/19.

EMP.09/18 APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of Councillor Stothard.

EMP.10/18 DECLARATIONS OF INTEREST

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

EMP.11/18 PUBLIC AND PRESS

It was agreed that the items of business in Part A be dealt with in public and the items of business in Part B be dealt with when the public and press were excluded.

EMP.12/18 MINUTES OF PREVIOUS MEETINGS

RESOLVED – To note that Council, on 6 March 2018, received and adopted the minutes of the meeting held on 31 January 2018. The minutes were signed by the Chairman.

EMP.13/18 PUBLIC AND PRESS

RESOLVED – That in accordance with Section 100A(4) of the Local Government Act 1972 the Public and Press were excluded from the meeting during consideration of the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraph number (as indicated in brackets against each minute) of Part 1 of Schedule 12A of the 1972 Local Government Act.

EMP.14/18 STATUS AND REMUNERATION OF THE CITY COUNCIL'S SECTION 151 OFFICER

(Public and Press excluded by virtue of Paragraph 1)

The Town Clerk and Chief Executive submitted report CE.09/18 which sought approval to designate the role of Section 151 as a full Chief Officer post.

The Town Clerk and Chief Executive reminded the Panel that they had agreed a new Senior Management Team (SMT) structure and pay scales in 2016. It was the view at the time that the Section 151 (S.151) officer need not be a Chief Officer, but a senior manager reporting to the Town Clerk and Chief Executive.

Since 2016 the post holder had acted as a full member of SMT, supported and advised officers and Members through two budget rounds, secured closure of the accounts in remarkably good time and performed excellently as S.151 officer.

The Employment Panel discussed the report and requested that more detail on the role of the S.151 Officer be included in the report which would be submitted to Council.

RESOLVED – That the Employment Panel recommends to Council:

1. That the post of Chief Finance Officer is recognised as a full Chief Officer post within the Council, with the same status and remuneration as the Corporate Director of Economic Growth and the Corporate Director of Governance and Regulatory Services. The post is to be called Corporate Director of Finance and Resources.
2. That the Corporate Director of Governance and Regulatory Services be authorised to make the necessary amendments to the Councils Constitution.

(The meeting finished at 3.47pm)

Report to Employment Panel

Agenda Item:

A.1

Meeting Date: 11th February 2019
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework YES
 Public / Private Public

Title: PAY POLICY STATEMENT 2019/20
 Report of: Corporate Director of Finance and Resources
 Report Number: RD40/18

Purpose / Summary:

The Localism Act 2011 requires Authorities to produce and publish a pay policy statement for Chief Officers and to review the policy on an annual basis. The Council’s Pay Policy for 2019/20 is attached to this report for Members approval.

The Employment Panel on 31 January 2018 also requested a report on comparison information on Chief Officer car allowances in other local authorities, other offers available and the impact of any potential change on existing staff and the Council’s pension contributions.

Recommendations:

The Employment Panel:

- (1) approves the 2019/20 Policy Statement on Chief Officers’ Pay, for recommendation to Council on 5th March 2019;
- (2) Considers the comparator information on Chief Officer car allowances as requested which is provided at paragraph 3.

Tracking

Employment Panel:	11th February 2019
Overview and Scrutiny:	Not applicable
Council:	5th March 2019

1. BACKGROUND

1.1 The Localism Act 2011 (Sections 38 to 43) introduced a requirement on all English and Welsh authorities to produce and review a pay policy statement for Chief Executives and Chief Officers on an annual basis.

1.2 The pay policy must set out the council's policies in relation to:

- the remuneration of its chief officers;
- the remuneration of its lowest-paid employees, and
- the relationship between –
 - the remuneration of its chief officers, and
 - the remuneration of its employees who are not chief officers.

1.3 The definition of 'lowest paid employees' must be stated along with the reasoning behind adopting that definition. Policies in respect of chief officers must also be included relating to:

- the levels and elements of remuneration;
- remuneration on recruitment;
- increases and additions to remuneration;
- the use of performance related pay;
- the use of bonuses;
- the approach to any payments on their ceasing to hold office under or to be employed by council.

1.4 It is approved annually by full Council as recommended by the Employment Panel. Approval must be before the end of the 31 March immediately preceding the financial year to which it relates but may be amended during the year if need be, subject to Council approval.

2. PAY POLICY STATEMENT 2019/20

2.1 The definition of 'chief officers' includes the Chief Executive, Deputy Chief Executive and Corporate Directors. The Statement attached to this report, detailing the pay and associated benefits for Chief Officers, has been amended where necessary for 2019/20 which is now subject to the approval of full Council, as recommended by the Employment Panel.

2.2 The salary for all Chief Officers has been amended to reflect the Chief Officers' Pay Agreement 2018/19 – 2019/20.

3. CHIEF OFFICERS' CAR ALLOWANCE

- 3.1 The 2018/19 pay policy was approved on 31st January 2018 with the comment that the Employment Panel felt the Chief Officers Car Allowance scheme had become outdated and was not representative of a modern offer to recruit Chief Officers.

The panel requested comparator information from other local authorities and what the current trends were. The panel were clear that they did not want to reduce the Chief officer offer in a negative way but wanted to offer the most appropriate and modern incentives available.

- 3.2 The current Chief Officer pay policy allows for a car allowance based upon 9.09% of salary or participation in the Chief Officer Car Lease Scheme to the same value.

Of all 5 Chief Officers, only one Officer currently makes use of the lease car scheme.

Current value of the scheme is as follows:

Chief Executive £9,880 per annum
Chief Officers (x4) £26,911 per annum

Total cost £36,791 per annum

4. BENCHMARKING

- 4.1 An exercise was undertaken by reviewing 12 other local authorities from which only two offered a scheme for its Chief Officers.

Expert HR Benefits and Allowances Survey (2018) surveyed 224 companies broken down by economic sector as follows:

169 (74.5%) are in private-sector services;
37 (16.5%) are in manufacturing and production; and
18 (8.0%) are in the public sector.

Findings:

A move away from providing company cars continues, albeit at a fairly slow pace as the proportion of organisations doing so has fallen only slightly compared with last year. More noticeable is the decline in the use of car allowances, with fewer than half of organisations now offering them.

Where organisations do make cars and car allowances available, it is far more likely to be for directors and managers than for staff. For example, while 27.7% of organisations provide directors with a company car, only 12.9% do so for staff. Similarly, while 33.5% of organisations give a car allowance to directors, only 13.8% do so to staff. By sector, manufacturing and production are more likely than services companies to provide a company car or car allowance.

Where provided, directors are most likely to be given a company car as a retention tool, but it is notable that this is nowadays a rare occurrence and the provision is very much linked to the individual needing a vehicle in order to carry out their role. A similar picture emerges when we look at the availability of car allowances.

Where organisations offer a car allowance, the median annual values are £7,427 for a director, £5,650 for a manager and £4,200 for a staff member. A handful of organisations express their car allowance for directors as a percentage of salary, with both 10% and 25% of salary cited.

5. PENSIONABLE BENEFIT

Were the current car allowance to be subsumed within the salary and meet the HMRC definition of earnings in respect of pensionable pay, the additional employer costs are as follows:

Chief Executive	£9,880 pa	Additional Cost	£1,541 pa
Deputy Chief Executive	£7,911 pa	Additional Cost	£1,234 pa
Corporate Director x2	£12,870 pa	Additional Cost	£2,008 pa
Corporate Director x1	£6,130 pa	Additional Cost	£956 pa

With the CEO and 4 Chief Officers this would equate to an overall car allowance figure of £42,530 and an increase in cost to the Authority of £5,739 per annum pension contributions and £1,296 in increased NI contributions – a total of **£7,035**.

Furthermore, if the car allowance were made pensionable the individual Directors would see an increase in their NI and tax deductions which equates to between £235 and £447 worse off per month.

6. CONSULTATION

- 6.1 If Members of the panel wish to explore the remuneration offer available to all Chief Officer to, for example, remove the leased car scheme and subsume this within the overall salary, further work would be required and would be subject to full

consultation with effected Officers, as this would be a change in their terms and conditions.

8. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 8.1 The Employment Panel approves the 2019/20 Policy Statement on Chief Officers' Pay for recommendation to Council on 5th March 2019.

The Statement meets the requirements of the Localism Act. Under the Council's Constitution, the Employment Panel is responsible for recommending to Council matters relating to pay and employment conditions.

Having conducted local and regional benchmarking it is evident the current Car Allowance is significantly higher than local and regional comparators. It compares very well, indeed in excess of, private sector payments.

Turnover of staff at Chief Officer level is low with long lengths of service. It is not anticipated that the current car allowance would restrict recruitment should this situation change.

9. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 9.1 The Policy Statement on Chief Officers' Pay exists to provide Members and the general public with a transparent framework in which Chief Officers are paid and rewarded for their work and instil confidence in the public.

Contact Officer: Sue Kaveney

Ext: 7071

Appendices: Appendix – Pay Policy Statement 2019/20 for Chief Officers 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:

LEGAL – S38 of the Localism Act 2011 requires that we must publish each year a pay policy statement setting out our policies relating to:

- The remuneration of Chief Officers
- The remuneration of our lowest paid officers
- The relationship between the remuneration of the Chief Officers and employees that are not Chief Officers.

The Policy must state our definition of 'lowest paid employees' together with our reasoning and it has to explain:

- CO levels on appointment/progression and increases and additions
- Performance related pay
- Bonuses
- Payment on ceasing to hold office

The Policy must be published in a manner deemed by the Council to be appropriate and this includes publication on the authority's website.

As stated in the report, an amendment to the Scheme may be a change to Chief Officers' terms and conditions of service therefore appropriate consultation procedures should be followed if that is the course of action chosen.

FINANCE – Not applicable

EQUALITY – Not applicable

INFORMATION GOVERNANCE – Not applicable

**CARLISLE
CITY COUNCIL**



www.carlisle.gov.uk

PAY POLICY STATEMENT 2019/20
FOR CHIEF OFFICERS

CARLISLE CITY COUNCIL

PAY POLICY STATEMENT FOR CHIEF OFFICERS

1 Introduction and Purpose

- 1.1 This pay policy statement sets out Carlisle City Council's approach to Chief Officers' pay in accordance with the requirements of section 38 to 43 of the Localism Act 2011.
- 1.2 The purpose of this statement is to provide transparency with regard to the Council's approach to setting the pay of its employees by identifying:
- the methods by which salaries of all employees are determined;
 - the detail and level of remuneration of its most senior employees i.e. 'chief officers' as determined by relevant legislation;
 - the detail and level of remuneration of the lowest paid employees'
 - the relationship between the remuneration for highest and lowest paid employees;
 - the Panel responsible for ensuring that the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to full Council.
- 1.3 Once approved by the full Council, this policy will come into immediate effect for the 2019/20 financial year and will be subject to review again for 2020/21 in accordance with the relevant legislation prevailing at the time. Where amendments are required during the year, these will be subject to approval by full Council.

2 Aims and principles

- 2.1 Carlisle City Council's aim to offer a remuneration package which is fair and equitable, complies with all the relevant legislation, enables it to attract and retain quality staff that will achieve its strategic and operational objectives and is underpinned by the need to achieve value for money having regard to its financial restraints.

3 Definitions

The Council's Senior Employees are those which fall under the definition of 'chief officers' as contained within section 43 of the Localism Act 2011. These are the Chief Executive, Deputy Chief Executive and Corporate Directors.

Lowest paid employees are those on grade A (£17,364) per year in April 2019. The Council uses this definition as it is the nearest equivalent to the old 'manual' grades which existed before job evaluation was used to determine pay and before Single Status was implemented. Jobs at this level are relatively straight forward, quick to learn and require limited pre-existing knowledge.

Employment Panel is a politically balanced (reflecting the balance of the different parties that make up the Council) group of Councillors who are responsible for recommending to Council pay and conditions for employees.

Multiplier is the ratio of pay between chief officers and other employees (at full time equivalent rates) i.e. the pay for the chief officer divided by that for the lower paid employees.

4 Pay Structure

4.1 The Pay Structure and pay related allowances for all employees below Chief Officer level (except apprentices and any employee on a “permitted work” scheme) is detailed in the document *Pay Policy and Arrangements* which was approved by Council initially in November 2009, following extensive consultation with staff, and updated in December 2013 to implement the Foundation Living Wage increase with other regular updates to reflect increases to the foundation living wage and national pay awards. It is a local pay and grading structure which uses some of the nationally negotiated pay spines configured into local pay grades. Nationally negotiated cost of living awards are applied to those spine points that form part of the local pay structure.

4.2 From time to time, it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular knowledge, experience, skills, and capacity. The document *Pay Policy and Arrangements* details these.

5 Chief Officer Remuneration

5.1 Terms of employment for Chief Officers in Carlisle City Council are derived from a number of sources:

- pay rates determined by Carlisle City Council;
- cost of living awards as negotiated nationally between the Local Government Employers’ Organisation and the recognised trade unions and applied to existing pay grades;
- nationally negotiated terms and conditions of employment for Chief Officers and Chief Executives as appropriate;
- policies determined and approved locally by Carlisle City Council.

6 Responsibility for determining pay and allowances

6.1 The Employment Panel is responsible for proposing the pay and grading structure to Council.

6.2 In the case of Chief Officers’ pay, the Employment Panel may seek advice from a suitably experienced external organisation such as North West Employers’ Organisation (NWEO) to inform their recommendations.

- 6.3 Pay rates (including car allowances) for the Town Clerk and Chief Executive are reviewed each time the job is vacant and may be reviewed between these periods on a decision by the Chair of the Employment Panel following a request from the post holder. A review can result in the pay remaining the same, an increase or a decrease. Market rates for District Councils form the basis of any review. The pay rate is a single pay point, within a three-point salary band, and determined on appointment by the Employment Panel and is based on experience of the successful candidate.
- 6.4 In the case of the other Chief Officer posts, these are reviewed when organisational structural changes take place and uses the Local Authority Senior Staff job evaluation scheme to determine the rank order, and market rates for a District Council to set the pay grade. The pay grades consist of three pay points.
- 6.5 Table 1, paragraph 10, gives current pay rates.

7 Elements of the remuneration package for Chief Officers

- 7.1 This is made up of
- actual pay as determined by the Council
 - car allowance of 9.09% of salary or participation in the Chief Executive or Chief Officer Car Lease Scheme to the same value*
- 7.2 Pay for the Town Clerk and Chief Executive consists of three pay point within a salary band plus car allowance as detailed above. This rate includes returning officer duties for elections relating to Carlisle City Council. Fees for election duties for other elections (County Council, national and European elections) are paid as an additional sum at the rate prescribed by government as and when each election occurs. The pay point may be reviewed on a decision by the Chair of the Employment Panel, following a request from the post holder.
- 7.3 Pay for the Deputy Chief Executive and Corporate Directors consists of three point scales and, subject to satisfactory performance, the officer progresses through the grade on an annual basis until the top of the grade is reached, in line with national conditions. A car allowance, as detailed above is also paid.
- 7.4 No bonuses, profit related pay or other allowances are paid as part of the regular pay. Honoraria for undertaking additional duties are only paid if the additional duties are significant.
- 7.5 The designation of the Monitoring Officer currently sits with the Corporate Director of Governance and Regulatory Services. The Monitoring Officer is paid on the normal salary for a Chief Officer.
- 7.6 The designation of the Section 151 Officer sits with the Corporate Director of Finance and Resources. The S151 Officer is paid on the normal salary for a Chief Officer.

8 Chief Executive and Chief Officers' Recruitment

- 8.1 Details of the appointment process for Chief Officers and Chief Executive are set out in the Council's constitution. Recruitment is the responsibility of the Employment Panel to recommend the successful candidate to full Council for approval.
- 8.2 In the case of the Chief Executive, the Employment Panel determines the salary and takes into account the knowledge, qualifications, skills and experience of the successful candidate.
- 8.3 In the case of the other Chief Officers, the starting salary is normally the bottom point of their grade unless there are good reasons to pay at a higher point in the scale to secure the best candidate. Such a decision is made by the Employment Panel.
- 8.4 Return of Chief Officers or Chief Executive to local government after redundancy or early release. The same principle applies to all recruitment and any appointment is made on merit, regardless of whether the candidate has been made redundant or given early release in former employment. The provisions of the Redundancy Payments Modification Order (1999) would be applied in that if return to local government occurred within a month of redundancy, the redundancy payment would be forfeited. Cumbria County Council, as the administering body for the pension scheme operated by Carlisle City Council, implements 'abatement' which means that if pension plus earnings in the new job is greater than earnings prior to leaving the pension is reduced accordingly.

The Government is still considering reforms to Public Sector exit payments and the recovery of such payments, with legislation expected in the foreseeable future. The Council will amend policies and processes as required to adhere to any forthcoming changes in legislation.

- 8.5 Interim Support. Where the Council has the need for interim support to cover work at Chief Officer or Chief Executive level, and there is no-one suitable within the Council, it will make use of agencies to recommend suitable candidates from which to select the most suitable. Selection will be in line with the appointment process for chief officers unless support is required too quickly to make this possible, when it will be reported to Council at the earliest opportunity. The services of the successful interim will be engaged by either:

- Secondment of an internal candidate where suitable
- Direct employment by the Council on a temporary contract
- On a self-employed basis where the person meets the HMRC definition (IR35) of 'self-employed'
- On an agency basis where the person is employed by the agency

Pay for temporary interim support will be at the required rate to secure a suitable candidate bearing in mind the temporary nature of the work, value for money, salaries within the Council and budgetary considerations.

At the date of this policy Statement, the Council has no temporary or interim support at Chief Officer level.

9 Other aspects of remuneration

- 9.1 Termination Payments – the Council’s policy on termination payments in the event of redundancy or early release in the interests of the service (ERS) apply to all employees, irrespective of level in the organisation. Full details are given in the document *Redundancy and Early Release Schemes Policy, Guidance Notes and Procedures*

In summary, the discretionary redundancy payments are 2.5 times the statutory redundancy payment but based on actual weeks pay, with the option to convert the sum above the statutory redundancy payment to additional pension. Compensatory payments are not normally paid in the cases of early retirement in the interests of efficiency unless there is a strong business case for doing so in a particular situation. Where payments are made, these are equivalent to 1.5 times the statutory redundancy payment that would have applied had the officer been made redundant with the option to convert this to additional pension.

Dismissal of the Chief Executive and Chief Officers (including redundancy and early release) are made by Council on the recommendation of the Employment Panel.

The Government is still considering reforms to the financial cap on exit payments of Public Sector employees and further legislation regarding such payments is expected in the foreseeable future. The Council will amend policies and processes to adhere to any forthcoming changes in legislation.

- 9.2 Flexible Retirement. The policy on flexible retirement applies to all employees alike and details are covered in the document *Flexible Retirement Policy Guidance Notes and Procedures*. In summary, flexible retirement (with pension) is agreed if it is supported by a business case. Hours must be reduced by a minimum of 20% and/or move to an alternative post of at least one grade reduction. Earnings plus pension after flexible retirement must not be more than earnings before it.
- 9.3 Pension. Where employees exercise their statutory right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due to that employee. The contribution rate is set by Actuaries advising Cumbria County Council Pension fund and reviewed on a triennial basis in order to ensure that the scheme is appropriately funded. The current rate is 15.6%. The employee contribution rates are defined by statute and relate to the salary level of that employee.

Carlisle City Council applies the discretions given to them as an employer under the Local Government Pensions Regulations to all employees on the same basis.

10 Chief Officers pay and its relation to that of other employees

10.1 All aspects of other employees' pay and related benefits are detailed in the document *Pay Policy and Arrangements*.

10.2 Table one, below, shows details of Chief Officer's current pay and the relationship to other staff's pay. The salary for the Chief Executive, Deputy Chief Executive and the other Chief Officers reflects the Chief Executive/Chief Officers' Pay Agreement 2018/19 – 2019/20.

TABLE 1: Chief Officers' pay and its relationship with others (wef 1st April 2019 for 2019/2020)

Position	£ Pay per year	Car Allowance	£ Total pay + car allowance per year	Ratio to median pay (note 1)	Ratio to lowest paid staff (note 2)
Town Clerk & Chief Executive	3 points in the range: - 102,562 - 104,618 - 108,694	9.09% of salary	- 111,885 - 114,128 - 118,574	- 5.0:1 - 5.1:1 - 5.3:1	- 6.4:1 - 6.6:1 - 6.8:1
Deputy Chief Executive	3 points in the range: - 79,116 - 83,073 - 87,029	9.09% of salary	- 86,308 - 90,624 - 94,940	- 3.9:1 - 4.0:1 - 4.2:1	- 5.0:1 - 5.2:1 - 5.5:1
Corporate Directors	3 points in the range: - 64,079 - 67,433 - 70,790	9.09% of salary	- 69,904 - 73,563 - 77,225	- 3.1:1 - 3.3:1 - 3.4:1	- 4.0:1 - 4.2:1 - 4.4:1

Note 1 - £22,401 per year for a full-time employee

Note 2 - Grade A staff – £17,364 per year for a full-time employee.

The ratio between the Chief Executive pay and other Chief Officers (at the top of the grade) is as follows:

Deputy Chief Executive	1.2:1
Corporate Directors	1.5:1

10.3 Carlisle City Council aims to keep the multipliers for median pay and lowest paid staff approximately the same in future years.

Report to Employment Panel

Agenda
Item:
A.2

Meeting Date: 11th February 2019
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: PENSION DISCRETIONS
Report of: Corporate Director of Finance and Resources
Report Number: RD.41/18

Purpose / Summary:

Amendments to the Local Government Pension Scheme (Amendment) Regulations 2018 has introduced some pension changes with some necessitating a review of the Council’s pension discretions.

The Council’s draft updated discretions are set out in the Appendix to this report.

Recommendations:

The Employment Panel is asked to:

1. Note the changes as a result of the LGPS (Amendment) Regulations 2018
2. Approve the revised Council’s “Employer Discretions – Statement of Policy” in compliance with the Local Government Pension Scheme (Amendment) Regulations 2018; and
3. Request that officers forward these to Cumbria County Council in its role as the administering authority of the pension fund.

Tracking

Executive:	Not applicable
Scrutiny:	Not applicable
Council:	Not applicable

1. BACKGROUND

1.1 As a scheme employer of the Cumbria Local Government Pension Scheme (LGPS) the Council must formulate and update policies and discretions in relation to:

- the awarding of additional pension to members;
- the operation of early retirement and flexible retirement provisions;
- redundancy and compensatory payments, and
- the awarding of any discretionary payments.

1.2 In formulating these policies, employers must have regard to the extent to which the exercise of functions could lead to a serious loss of confidence in the public sector and be satisfied that that policy is workable, affordable and reasonable having regard to the foreseeable costs.

1.3 It is best practice to review these policies on an annual basis and the introduction of the Local Government Pension Scheme (Amendment) Regulations 2018 has necessitated a review to bring the discretions in line with the requirements of the LGPS 2013.

1.4 The Council's existing policy has been updated in respect of the calculation of assumed pensionable pay for certain classes of employee; the extension of the right to draw benefits between 55 and 60 without needing the former employer's consent; the requirement to pay an exit credit; and changes to Additional Voluntary Contribution (AVCs).

1.5 Once approved, the Statement of Policy must be issued to Cumbria County Council as administering authority of the Cumbria LGPS.

2. PROPOSALS

2.1 The Statement of Policy for pension discretions is attached to this report, at **Appendix A**, which details the relevant regulation where a mandatory policy statement is required (Parts A and C) as well as other discretions which the scheme employer may exercise under the LGPS 2013 (Part B). There is no requirement to have a written policy in respect of these part B items; however, it is accepted that it

would be useful to establish a clear policy intention that scheme employers hold in these particular areas.

2.2 There are four main changes as a result of the LGPS (Amendment) Regulations 2018:

- Pensionable Pay calculations:
 - There is a new discretionary power to substitute the pay a member received in the 3-month period, or 12-week period, with a higher figure. **Our policy remains unchanged as set out at Appendix A.**
- Extension of the right to draw benefits between 55 and 60 without needing the former employer's consent:
 - From 1 April 2014, rules were changed to allow members, from that date, to draw their benefits between 55 and 60 without getting the employer's agreement. Employers were not required to make any additional payments into the fund. However, these changes did not apply to certain members such as:
 - Members with deferred benefits who left before 1 April 2014
 - Members with suspended tier 3 ill health benefits who left before 1 April 2014
 - Councillor members

The new regulations have extended the changes to these members. So, from 14 May 2018, these members no longer need to get the former employer's agreement should they wish to draw their benefits between 55 and 60. YPS will advise all members with a deferred entitlement who are affected by this amendment. **There are still some discretionary powers retained by the Council (i.e. reducing early payment reductions), and these are set out in Appendix A.**

- The requirement to pay an exit credit:
 - Where an employer becomes an 'exiting' employer by either ceasing to employ any employees who could join the LGPS or no longer having any employees paying into the LGPS fund, the fund must obtain a termination assessment. Where the assessment shows a deficit for the employer, the employer will be liable to pay an exit payment. If there is a surplus, the new regulations state that the fund

must now pay any surplus ('exit credit') to the 'exiting' employer and must do so within 3 months of the employer becoming an 'exiting' employer. Although clarification is awaited, it is understood that this exit credit payment will only affect those employers who became an 'exiting' employer on or after 14 May 2018.

- Additional Voluntary Contributions:
 - This requires the Council to ensure that the correct amount of AVC is deducted from the current definition of pensionable pay for all cases. Where in doing so, members should be pre-warned so that they can amend their AVC election should they wish to do so.

3. CONSULTATION

3.1 None

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1 The Employment Panel is asked to:

1. Note the changes as a result of the LGPS (Amendment) Regulations 2018
2. Approve the revised Council's "Employer Discretions – Statement of Policy" in compliance with the Local Government Pension Scheme (Amendment) Regulations 2018; and
3. Request that officers forward these to Cumbria County Council in its role as the administering authority of the pension fund.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 The Statement of Policy on Pension Discretions exists to provide Members and the general public with a transparent framework in which pension, redundancy, compensatory and discretionary payments are awarded to members and to instil confidence in the public sector.

Contact Officer: Alison Taylor

Ext: 7290

**Appendices
attached to report: Appendix A – Pension Discretions**

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL – The changes proposed in the Report are to ensure the Council complies with the Local Government Pension Scheme (Amendment) Regulations 2018 (SI 2018/493). Within the regulations there are discretions open to the Council as to how its policy with operate.

FINANCE – Not applicable

EQUALITY – Not applicable

INFORMATION GOVERNANCE – Not applicable

EMPLOYER DISCRETIONS – STATEMENT OF POLICY

EMPLOYER NAME: Carlisle City Council

The employer stated above has prepared this written statement of policy in relation to its exercise of certain discretionary functions available under the above regulations.

PART A – Mandatory policy statements – Formulation of policy in accordance with:

Regulation 60 of the Local Government Pension Scheme (LGPS) Regulations 2013
Paragraph 2 (2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014
Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008
Regulation 106 of the Local Government Pension Scheme Regulations 1997

PART A1 – Discretions from 1 April 2014 in relation to post 31 March 2014 active members and post 31 March 2014 leavers (excluding councillor members)

Power of Scheme employer to award additional pension

(Regulation 31 of the LGPS Regulations 2013)

An employer can grant extra annual pension of up to a maximum £6,822 (figure at 1 April 2018) to an active Scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency. This maximum figure that can be initially awarded will be index linked and the level increased on the 1st April each year.

Employer's policy:

Extra annual pension will not normally be granted except where the employee elects to convert their discretionary payment under redundancy and early release in the interests of efficiency of the service to additional pension (additional pension by conversion). The discretionary payment will also be used to fund any additional actuarial strain liability. The cost of awarding additional pension will therefore be cost neutral to the authority under the Council's current Redundancy and Early Release Scheme Policy.

Additional pension will not be granted except as above.

Power of Scheme employer to contribute towards the cost of a member purchasing additional pension

(Regulation 16 (2) (e) and 16 (4) (d) of the LGPS Regulations 2013)

Where an active Scheme member wishes to purchase extra annual pension of up to £6,822 (figure at 1 April 2018) by making Additional Pension Contributions (APCs), the employer may voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution. This maximum figure that can be initially purchased will be index linked and the level increased on the 1st April each year.

Employer's policy:

Carlisle City Council will not offer a shared cost APC arrangement for those members who purchase additional pension. That is, Carlisle City Council will not contribute to any additional pension contribution arrangement on behalf of an employee, but this does not prevent employees taking out an APC arrangement and contributing in their own right.

Flexible retirement

(Regulation 30 (6) and (8) of the LGPS Regulations 2013, Regulations 3 (5), 11(2), 11(3) and para.,2 (1A) of sch 2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 and regulation 18(3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

The Local Government Pension Scheme allows scheme members who have attained the age of 55 to draw all or part of their retirement benefits under flexible retirement arrangements even though they have not retired providing that:

- the employer consents, and
- there has been a reduction in hours, or
- a reduction in grade.

Specifically, where the employer consents to flexible retirement then, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw), the employer can also allow the member to choose to draw all, part or none of the pension benefits they accrued after 31 March 2008.

However, benefits taken on flexible retirement will be subject to a potential actuarial reduction if they are being drawn earlier than the members' normal retiring age (flexible retirement provisions may be operated for members potentially up to a member's 75th birthday). The reductions applied will be in accordance with guidance issued by the government actuary. Employers can if they choose, waive in whole or in part, any reductions that might apply.

Employer's policy:

Members can elect to draw their pension from age 55 while remaining in employment, but only if at the same time:

- ~ the employee takes up a lower graded job, OR
- ~ there is a minimum 20% reduction in their working hours.

AND

- ~ Carlisle approves the flexible retirement and will normally only be agreed when it is in the organisation's best interests.
- ~ The employee's earnings, including pension payment are not more than their earnings before the flexible retirement took effect (excluding any cost of living awards).

Carlisle City Council will not normally waive any reduction in pension benefits arising as a result of the flexible retirement unless there is a strong business case for doing so.

Once Flexible Retirement has been agreed, Carlisle City Council will not normally allow the employee to work additional hours (on a permanent or temporary basis).

It should be noted that this facility does not replace the Early Retirement and Voluntary Redundancy Schemes. It is merely an additional provision.

Early retirement and waiving actuarial reductions

(Schedule 2 paragraphs 1(1) (c), 2(1), 2(2) and Regulation 3 (1) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, Regulation 30(8) of the LGPS Regulations 2013 and regulation 30(5) and 30A (5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

If a member leaves a local government employment before he is entitled to the immediate payment of retirement benefits, then if he is aged 55 or more (or having attained age 55 and have previously been awarded deferred benefits after 01 April 2014) he may choose to receive payment of them immediately.

Any benefits payable may be reduced as appropriate in accordance with guidance issued by the Government Actuary.

A policy decision is required to be made in respect of each of the following discretions:

- (1) Where a member voluntarily draws benefits between the age of 55 and 60 who has then satisfied the 'Rule of 85' or will do so on or before their 60th birthday, the actuarial reductions will be calculated pretending that the member had instead satisfied the 'Rule of 85' on their 60th birthday. The employer has discretion to require the actual date upon which the member satisfied (or would have satisfied) the 'Rule of 85' to be used. This will have the effect of reducing the actuarial reduction. Should an employee exercise this discretion, the employer must pay to the fund a pension strain payment.
- (2) In addition, employers can, if they choose, waive in whole or in part any reductions that might apply and the employer must pay to the Pension Fund a sum representing the capital cost of waiving those reductions. Due to the complexity in the level of protected benefits that now apply to different members, establishing what level of benefits can be waived

can be difficult. **Appendix 1** lists the options available to employers in terms of the level of reductions that can be waived and the grounds under which they may be waived.

Employer's policy:

The actual date to satisfy the 'Rule of 85' will not be required.

The waiving of any reduction and the cost of the reduction associated with the early payment of benefits, after age 55, will only normally be granted on compassionate grounds and where it can be demonstrated to be in the employer's interest. Appendix 1 will be used to support this decision.

PART A2 – Discretions in relation to scheme members who ceased active membership on or after 1 April 2008 and before 1 April 2014 (excluding councillor members)

Power of Scheme employer to award additional membership

(Regulation 3 (10) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 and regulation 12 of the LGPS (Benefits, Membership and Contributions) Regulations 2007)

An employer can within 6 months of the date of termination grant extra membership in the pension scheme to a Scheme member whose employment was terminated before 1 April 2014 on the grounds of redundancy or business efficiency. Note that this is a time limited discretion which expires on 30 September 2014 for those whose employment is terminated on 31 March 2014.

Employer's policy:

No longer applicable

Early release of deferred benefits

(Regulations 30(2), (5), 30A(3) and (5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and reg.3 (5A) (c), para.1 (1) (aa) and para. 2 (1) of sch.2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014)

Prior to 14 May 2018, members who left the scheme between 1 April 2008 and 31 March 2014 with deferred benefits (or suspended tier 3 benefits) who make an application to release benefits on or after age 55 and before age 60 required the former employer's consent. From 14 May 2018, this is no longer the case.

A policy decision is required to be made in respect of each of the following discretions:

- (1) Where a member voluntarily draws benefits between the age of 55 and 60 who has then satisfied the 'Rule of 85' or will do so on or before their 60th birthday, the actuarial reductions will be calculated pretending that the member had instead satisfied the 'Rule of 85' on their 60th birthday. The employer has discretion to require the actual date upon which the member satisfied (or would have satisfied) the 'Rule of 85' to

be used. This will have the effect of reducing the actuarial reduction. Should an employee exercise this discretion, the employer must pay to the fund a pension strain payment.

- (2) In addition, employers can, if they choose, waive on compassionate grounds all of the actuarial reduction. If an employer does so, it must pay to the Pension Fund a sum representing the capital cost of waiving those reductions.

Employer's policy:

The actual date to satisfy the 'Rule of 85' will not be required.

Early release of deferred benefits and any waive of actuarial reduction will be considered, on compassionate grounds, and will be assessed on an individual basis in accordance with Appendix 1.

PART A3 – Discretions in relation to scheme members who ceased active membership on or after 1 April 1998 and before 1 April 2008 and active councillor members and councillor members who ceased active membership on or after 1 April 1998

Early release of deferred benefits with employer consent

(Regulations 31(2) and (5) of the LGPS Regulations 1997 and reg.3 (5A) (b), para.1 (f) and para.2 (1) of sch.2 of the LGPS (transitional Provisions, Savings and Amendment) Regulations 2014)

A policy decision concerning early release of benefits needs to be made in relation to active members who have left the scheme between 1 April 1998 and 31 March 2008 with deferred benefits and councillor members who left after 1 April 1998 who make an application to release benefits on or after age 50* and before age 55.

Prior to 14 May 2018, members who left the scheme between 1 April 1998 and 31 March 2008 with deferred benefits (and councillor members) who make an application to release benefits on or after age 55 and before age 60 required the former employer's consent. From 14 May 2018, this is no longer the case.

A policy decision is required to be made in respect of each of the following discretions:

- (1) Where a member voluntarily draws benefits between the age of 55 and 60 who has then satisfied the 'Rule of 85' or will do so on or before their 60th birthday, the actuarial reductions will be calculated pretending that the member had instead satisfied the 'Rule of 85' on their 60th birthday. The employer has discretion to require the actual date upon which the member satisfied (or would have satisfied) the 'Rule of 85' to be used. This will have the effect of reducing the actuarial reduction. Should an employee exercise this discretion, the employer must pay to the fund a pension strain payment.
- (2) In addition, employers can, if they choose, waive on compassionate grounds all of the actuarial reduction. If an employer does so, it must

pay to the Pension Fund a sum representing the capital cost of waiving those reductions.

*It should be noted that benefits paid on or after age 50 and before age 55 would be subject to an unauthorised payments charge under the Finance Act 2004 and, where applicable, an unauthorised payments surcharge under that Act, and a Scheme sanction charge on any benefits built up after 5 April 2006.

Employer's policy:

The actual date to satisfy the 'Rule of 85' will not be required

Early release of deferred benefits and any waive of actuarial reduction will be considered, on compassionate grounds, and will be assessed on an individual basis in accordance with Appendix 1.

PART A4 – Discretions in relation to scheme members who ceased active membership before 1 April 1998

(Regulation D11(2) (c) of the LGPS Regulations 1995)

A policy decision concerning early release of benefits needs to be made in relation to active members who have left the scheme before 1 April 1998 who make an application on compassionate grounds to release benefits on or after age 50* and before age 60. Under these rules the sole discretion for an employing authority is that they may determine on compassionate grounds that benefits are to become payable on an unreduced basis.

*It should be noted that benefits paid on or after age 50 and before age 55 would be subject to an unauthorised payments charge under the Finance Act 2004 and, where applicable, an unauthorised payments surcharge under that Act, a Scheme sanction charge will not be payable.

Employer's policy:

Consideration, on compassionate grounds, will be assessed on an individual basis.

PART B – Formulation of policy in accordance with further discretions under the Local Government Pension Scheme Regulations 2013

There are a number of other discretions which Scheme employers may exercise under the LGPS Regulations 2013. There is, however, no requirement to have a written policy in respect of these. However, the following areas of discretion would be useful for scheme members, in order for them to establish the clear policy intention that the employers hold in these particular areas.

Shared Cost Additional Voluntary Contributions (SCAVCs)

(Regulation 17 of the LGPS Regulations 2013)

An active member may elect to pay AVCs into a scheme established under contract between his appropriate administering authority and a body approved for the purposes of the Finance Act 2004.

An employer can, at its discretion, contribute to the AVC scheme and where they do the AVC scheme is known as a shared cost additional voluntary contributions arrangement (SCAVC). An employer should establish whether, how much and in what circumstances to either continue with an existing SCAVC or enter into a new SCAVC.

Employer's policy:

Carlisle City Council will not offer employees who contribute to the Local Government Pension Scheme, shared cost AVC arrangements. That is, Carlisle City Council will not contribute to any additional voluntary contribution contract on behalf of an employee, but this does not prevent employees taking out an AVC arrangement and contributing in their own right.

Late transfer requests

(Regulation 100(6) and 22(7) and (8) of the LGPS Regulations 2013) and reg.10 (6) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014

The Local Government Pension Scheme Regulations allow for the acceptance of transfer value payments into the fund (subject to the Pension Fund administering authorities approval) to enable members to transfer pension rights accrued prior to joining the scheme into the LGPS, and thereby count additional pension. This election should be made within 12 months of first joining the LGPS in the employment.

The discretion allowed under regulation 100(6) relates to the acceptance of transfers relating to non LGPS membership, where the member makes a request after the expiry of the first 12 months of joining the LGPS.

In most situations, previous LGPS rights are automatically aggregated unless an election to keep those accrued benefits separate is received. Regulations 22 (7) and (8) allow an employer to extend the 12 month time limit within which a Scheme member who has a deferred LGPS benefit in England or Wales following the cessation of employment (or cessation of a concurrent employment) to elect not to have the deferred benefits aggregated with their new LGPS employment (or on-going concurrent LGPS employment) if the member has not made an election to retain separate benefits within 12 months of commencing membership of the LGPS in the new employment (or within 12 months of ceasing the concurrent membership).

Regulation 10 (6) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 allows a member to elect to aggregate a deferred benefit in respect of membership which ceased before 1 April 2014. Under this provision, the member would be awarded additional CARE benefits under the 2014 Scheme. The member must make the elections to do so

within 12 months of joining the 2014 Scheme (or such longer time as the employer may allow).

Employer's policy:

A member must elect within 12 months of employment to amalgamate any previous service. This time limit will only be extended in exceptional circumstances.

Contributions payable by active members

(Regulation 9 and 10 of the LGPS Regulations 2013)

An active member shall make contributions to the Scheme at the relevant contribution rate, from his pensionable pay, in each employment in which he is an active member. The contribution rate to be applied to his pensionable pay in any financial year is the rate determined by the employer with reference to the tiered contribution pay bands stated in the regulations.

Where there is a material change to a member's pensionable pay in the course of a financial year, the employer may re-determine the contribution rate to be applied.

Employer's policy:

Contributions will be calculated, at the date of change, based upon the member's pensionable pay in line with the regulations.

Assumed Pensionable Pay

(Regulation 21(4), (5), (5A) and (5B) of the LGPS Regulations 2013)

Employers have the following 2 discretions:

- (1) Whether or not, when calculating assumed pensionable pay when a member:
 - is on reduced contractual pay or no pay on due to sickness or injury, or
 - is absent during ordinary maternity, paternity or adoption leave or during paid additional maternity, paternity or adoption leave, or
 - is absent on reserve forces service leave, or
 - retires with a Tier 1 or Tier 2 ill health pension, or
 - dies in service

to include in the calculation the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred. A 'regular lump sum payment' is a payment for which the member's employer determines there is a reasonable expectation that such a payment would be paid on a regular basis.

(2) Where the pensionable pay received in the relevant 3-month period or, as the case may be, 12-week period, was, in the opinion of the employer, materially lower than the level of pensionable pay that the member normally receives, the employer has discretion to replace the actual pensionable pay received with a higher level of pensionable pay to reflect the level of pensionable pay that the member would normally have received. An employer must have regard to the level of pensionable pay received in the previous 12 months when working out what level of pensionable pay the member normally receives.

Employer's policy:

Assumed Pensionable Pay will be calculated in accordance with regulation 21 of the LGPS Regulations 2013.

Shared-cost APCs to buy back lost pension

(Regulation 16 (16) of the LGPS Regulations 2013)

Members on the following types of leave which are not covered by APP are able to enter into an APC contract to buy back the lost CARE pension. If they make the election within 30 days of return, the employer must fund two-thirds of the cost. The employer has discretions to extend the 30-day deadline.

- Additional maternity leave during which no pensionable pay is received
- Additional adoption leave during which no pensionable pay is received
- Shared parental leave during which no pensionable pay is received
- Authorised unpaid leave (excluding strike leave)

If the individual leave period lasted longer than 36 months, the employer is only required to share the cost in relation to the first 36 months of leave.

Employer's policy:

A member must elect within 30 days of return to enter into an APC contract. This time limit will only be extended in exceptional circumstances.

PART C – Mandatory policy statement* – Formulation of policy in accordance with:

Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006
Regulation 26 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000
Regulation 14 of the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

*The mandatory requirements for a written policy under these regulations do not extend to employers whose employees are members of the LGPS by virtue of an admission agreement however as the provisions still apply it would be deemed appropriate for a policy statement to be in place

PART C1 – Discretions in relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

Redundancy and Compensation Payments

(Regulation 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006)

These regulations provide a discretionary power to award a one-off lump sum payment of up to 2 years pay (104 weeks), inclusive of any redundancy payment made. This applies to any member who terminates their employment on the grounds of redundancy, efficiency or in the case of a joint appointment (not job shares) where termination arises because the other holder of the joint appointment has left it.

The provisions apply to all employees who are eligible for participation in the LG Pension Scheme, whether or not they are current members of the scheme.

There is also a discretionary power to waive the weekly pay ceiling placed on statutory redundancy payments and to calculate, instead, on pay up to the actual week's pay.

Employer's policy:

Calculation of a redundancy payment will be based on the employee's contractual weekly earnings, and not the statutory redundancy payment ceiling.

Redundancy:

Carlisle City Council will make a discretionary redundancy payment of 1.5 times the statutory entitlement in addition to the statutory requirement (giving a payment of 2.5 times statutory entitlement) (based on the employee's actual pay as above).

Early retirement in the Interest of the Efficiency of the Service:

Where an employee is granted early retirement in the interest of the efficiency of the service Carlisle City Council will not normally make any discretionary compensatory payment; however, where it decides to do so, this will be 1.5 times the statutory number of weeks that they would have received if they had been made redundant. Based on actual pay.

Members leaving Carlisle City Council through redundancy or early release in the interests of efficiency of the service may elect to convert discretionary payments received to additional pension.

Where at the sole discretion of Carlisle City Council an employee is made redundant or granted early retirement in the interests of the efficiency of the

service, the award should depend on there being a clear value for money case. The Council will take into account the full effects of the strain on the pension fund from the early payment of benefits as well as any additional costs.

PART C2 – Discretions in relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000

Redundancy and Compensatory Added Years payments

(Regulation 17,19,21 and 25 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000)

Prior to the 2006 discretionary regulations employers could award employees additional service following a redundancy or efficiency retirement where that employee was over age 50. Although this facility is no longer available to current active employees, there are still discretionary decisions to be made in respect of employees who are already in receipt of additional service. These include:

- How to apportion any surviving spouse's or civil partners annual compensatory added years payment where the deceased person is survived by more than one spouse or civil partner.
- How the annual added years will be apportioned amongst any eligible children.
- Whether, in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal pension suspension rules should be ignored i.e. whether the spouse's or civil partner's annual compensatory added years payments should continue to be paid or if the authority's policy is to apply the normal suspension rules, whether the spouse's or civil partner's annual compensatory added years payment should be reinstated after the end of the remarriage, new civil partnership or cohabitation.
- Whether and to what extent to reduce or suspend the member's annual compensatory added years payment during any period of re-employment in local government and how to reduce the member's annual compensatory added years payment following the cessation of a period of re-employment in local government.

Employer's policy:

The Council will apportion any surviving spouse's annual compensatory added years where the deceased is survived by more than one spouse or civil

partner in such proportions as, at its sole discretion, it sees fit (based upon the merits of the individual cases).

The Council will apportion any eligible children's payments equally.

The Council will continue to pay the Compensatory Added Years payment in cases of remarriage or a new civic partnership. The Council does not apply the normal suspension rules, so this element is not applicable.

The Council will fully suspend any Compensatory Added Years payment during any period of re-employment in Local Government.

PART C3 – Discretions in relation to the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

Injury Allowance payments

(Regulations 3 to 7 of the Local Government (Discretionary Compensation) (Injury Allowances) Regulations 2011)

Under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 Scheme employers must formulate, publish and keep under review a policy on:

a) whether or not to make an injury award to those who sustain an injury or contract a disease as a result of anything they were required to do in performing the duties of their job and in consequence of which they:

- suffer a reduction remuneration, or
- cease to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or
- die leaving a surviving spouse, civil partner or dependant, and

b) if the Scheme employer has a policy to make such payments, how it will determine the amount of injury allowance to be paid

Employer's policy:

The Council has not adopted a discretionary injury allowance scheme.

Declaration

It is understood that the above discretions are applicable to all eligible members of the Scheme. In respect of the mandatory policy requirements, a written statement should be published indicating the policy which is being applied by that employer in the exercise of its functions. A copy of the scheme employer's policy decisions should be sent to Your Pension Service within one month of the date the policy is revised.

Any change to the discretions exercised under the LGPS Regulations can take immediate effect from the date the Scheme employer agrees the change.

Any change to the discretions exercised under the Discretionary Compensation Regulations 2000, the Discretionary Compensation Regulations 2006 or the Injury Allowances Regulations 2011 cannot take effect until one month after the date the Scheme employer publishes a statement of its amended policy.

The policies made above:

- i. Must have regard to the extent to which the exercise of the discretions could lead to a serious loss of confidence in the public service;
- ii. Will not be used for any ulterior motive;
- iii. Will be exercised reasonably;
- iv. Will only be used when there is a real and substantial future benefit to the employer for incurring the extra costs that may arise;
- v. Will be duly recorded when applied.

Signed on behalf of the Employing Authority:

Name in Block Capitals: SUE KAVENEY

Position: INTERIM HR SUPPORT

Employing Authority: CARLISLE CITY COUNCIL

Date: 11 FEBRUARY 2019

Signed on behalf of the Employing Authority:

Name in Block Capitals: ALISON TAYLOR

Position: CORPORATE DIRECTOR OF FINANCE AND RESOURCES

Employing Authority: CARLISLE CITY COUNCIL

Date: 11 FEBRUARY 2019

Appendix 1 – if voluntarily retiring

If there is an actuarial reduction regarding the particular tranche of membership, the employer has the right to –

	Group 1	Group 2	Group 3	Group 4
Part A	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.
Part B1	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.	Waive all or none on this on compassionate grounds.
Part B2	Waive all or none on compassionate grounds.	Waive all or none on compassionate grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.
Part C	Waive all, some or none on any grounds.	Waive all or none on compassionate grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.
Part D1	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.	Waive all, some or none on any grounds.

Part A = membership to 31 March 2008

Part B1= membership 1 April 2008 to 31 March 2014

Part B2 = membership 1 April 2014 to 31 March 2016

Part C = membership 1 April 2016 to 31 March 2020

Part D1 = membership 1 April 2020 onwards

Group 1 member = a member who was an active member prior to 1 October 2006 and who was born on 31 March 1956 or earlier

Group 2 member = a member who was an active member prior to 1 October 2006, was born between 1 April 1956 and 31 March 1960 inclusive, and who would reach their CRA by 31 March 2020

Group 3 member = a member who was an active member prior to 1 October 2006 and who is not a Group 1 or Group 2 member

Group 4 member = a member who was not a member prior to 1 October 2006.

If member retires on flexible retirement, the employer may waive all, some or none of any reduction on any grounds.

Report to Employment Panel	Agenda Item:
-----------------------------------	--------------

For Information Only

Meeting Date: 11th February 2019
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework YES
 Public / Private Public

Title: WORKFORCE DEVELOPMENT PLAN
 Report of: Corporate Director of Finance and Resources
 Report Number: RD38/18

Purpose / Summary:

An internal audit review of workforce planning and development identified several issues including the lack of a formal written workforce strategy. Although not written nor formalised, workforce strategies were evident within the Council; however, the auditor recommended that SMT make a formal decision on whether a workforce strategy is required. SMT in 2017 made the decision to develop a workforce development plan for the organisation.

This task was completed by the Workforce Development Manager within the remit of the Transformation Board. The Transformation Board will review progress against the key actions on a regular basis.

The plan reflects the Carlisle Plan and key prioritise of the Council; organisational culture, wellbeing, leadership, skills and engagement.

Recommendations:

Consider the Workforce Development Plan Report.

Tracking

Executive:	n/a
Scrutiny:	29th November 2018
Council:	n/a

1. BACKGROUND

1. An audit review was completed on the Council's workforce strategy in 2016/17 recommending, amongst others, that SMT should decide whether a written workforce strategy is required and to undertake the appropriate actions.
2. Whilst the Council did not have a formal workforce development plan it did have a good track record on investing in development of the workforce and service managers have autonomy to design their teams to meet service demands. This includes development, apprenticeships, career grades to aid progression and the use of market factor supplements with Directors approval.
3. Many service areas have organic responses regarding workforce design which are flexible and responsive ensuring adequate resources are in place to meet service requirements.
4. Whilst the above responses have been adequate over the past years, and the recent voluntary redundancy programme helped to implement some new ways of working. Over the next 5 years additional investment and planning is required to manage expected changes within the current workforce. In particular: talent, progression routes, job design and agility.
5. The newly developed service plan regime and current team appraisal process provides Directors and service managers with an opportunity to respond and plan service delivery and workforce development to aid delivery.
6. HR have developed several workforce strategies including, agile working and appraisal process which contribute to workforce design and development; those strategies have been incorporated into the formal workforce development plan.
7. Organisational Development have also implemented several strategies to aid workforce design and development such as management development, qualification study, apprenticeships and wellbeing events; all have been incorporated into the formal workforce development plan.
8. The development of the corporate workforce development plan has identified actions required to ensure that there is appropriate investment in providing a balance of developed staff and skills required across the organisation to ensure that the priorities set out in the Council plan are met.
9. Wellbeing initiatives have been developed to support the workforce and the Workforce Development Plan further enhances the commitment of the Council to employee wellbeing.

10. The workforce development plan has been developed under the remit of the Transformation Board and in discussion with service managers.
11. The workforce development plan does not replace the current flexibility and autonomy enjoyed by service managers to effectively plan, develop and manage their human resource.
12. The workforce development plan is also not responsible for identifying key posts required over the coming years, this would stifle local actions to work differently and react to ongoing changes within technology and the makeup of the staff team. This responsibility remains with service managers.
13. The workforce development plan has through discussion with service managers identified opportunities to improve the current use of staff design and planning across the authority.
14. The workforce development plan has been considered and agreed by SMT and the Transformation Board.

Contact Officer: Julie Kemp

Ext: 7081

Appendices to report: Workforce Development Plan

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL – The implementation of a Workforce Development Plan represents good management practice. The usual decision-making procedures will need to be followed as appropriate when taking decisions under the Plan.

FINANCE – This report raises no explicit financial issues.

EQUALITY – The public-sector Equality Duty and Equality Policy have been considered by the service manager in preparing this report

INFORMATION GOVERNANCE – The Council must be mindful of the requirement to comply with the General Data Protection Regulation during the implementation of the action plan and proposed workforce development initiatives, ensuring processing is covered by appropriate lawful bases for processing and privacy notices.

CARLISLE
CITY COUNCIL



www.carlisle.gov.uk

Carlisle City Council Workforce Development Plan 2018- 2023

Contents

1. Introduction	p.3
• How has the plan been produced	p.4
2. What Should Carlisle be Doing	p.5
3. Current Position	p.6
• Current Workforce	p.6
• Headcount	p.9
• Diversity	p.9
• Gender	p.10
• Aspiration	p.11
• Wellbeing	p.13
• Engagement	p.14
• Learning and Development	p.15
• Agile Working	p.16
• Culture	p.17
4. Demography and the labour market	p.18
5. Action Plan	P19

1) Introduction

Why undertake workforce planning in Carlisle?

To serve the people of Carlisle as well as possible, we need the *right* people with the *right* skills and aptitudes, in the *right* place at the *right* time demonstrating the *right* behaviours and values. The development and maintenance of a workforce plan will enable the Council to focus on the medium and long term and at the same time provide a framework for dealing with immediate challenges in a consistent way.

The changing needs and expectations of Carlisle's population, including the rapidly rising elderly population, creation of a new town and other external factors, such as the opportunities afforded by new technology, are likely to lead to significant changes in the volume and type of services required in the future, whether provided directly by the Council or in partnership with other agencies. This will in turn have significant implications for the City's future workforce requirements.

The report 'The Council Workforce of Tomorrow' 2016 makes reference to the changing offer to local government workers, including job security, pension reform and highlighting that over 90% of employees surveyed had experienced a greater demand on their skillset; yet they didn't always have the right support to adapt. Workforce planning helps support the required changes to attract and retain talent to local government and ensure that talent is used effectively at all levels of the organisation.

Workforce planning needs to be integral to the other plans and strategies being developed by the Council and partner agencies in response to this changing agenda.

Local service plans will continue to include workforce considerations at service level providing the Council with the opportunity to regularly review service needs and react swiftly.

How has the plan been produced?

The plan involved consultation with Members, Senior Managers, the Trade Unions and a cross section of individuals throughout the Council.

The process of developing the plan and the subsequent shape of this document is demonstrated below.

Table 1

Activity	Who	When	Outcome
Annual Equality Report completed by Policy and Comms with input from HR and OD.	Policy and Comms	April 2017	Highlights ongoing gap in internal data for recording equality data. Data not reflective of actual numbers of those with disability and health problem. Also highlights ageing workforce.
A review of the service development and progression needs was carried out in 2017	Workforce Development Manager with service managers. Summary discussed with Directors	Between September 2017 and December 2017	Draft plans discussed and agreed with Directors. Key messages highlighted and incorporated into the Workforce Development Plan.
Corporate, Directorate and Service Planning	SMT Service Managers	March 2017, review September 2017, Annual	People and Development issues highlighted
Key discussion at Management Briefing regarding employee engagement and retention	Workforce Development Manager and managers	November 2017	Information included within actions incorporated into Workforce Development Plan.
Agile working, review of Timewise implementation following survey of need and opportunity	HR team and wider management team	2016-2017	Information supports actions within Workforce Development Plan

Training Needs Analysis completed Council wide and I.T specific	HR and OD	I.T specific January 2018	Information supports action plans
Gender reporting	HR Manager and Service Support Team Leader analysed gender equality data	2017 Report due out 2018	
Draft plan consulted on with all relevant partners	CJC Employment Panel SMT Management Briefing	2018	Plan agreed

2) What should Carlisle City Council be doing

Carlisle Plan 2015-18

Our vision: To improve the health, wellbeing and economic prosperity of the people of Carlisle. We will work in partnership to further establish our position as the regional centre and focus for investment, ensuring that residents can share in the benefits through increased opportunities and greater choice of jobs, range of housing and a quality environment.

Carlisle is the urban capital of the County of Cumbria with a population estimated at approximately 108,000. The city is the centre of an economic region serving 500,000 people who live in Cumbria, Northumberland and Southern Scotland. The City of Carlisle is the largest settlement with approximately 68% of the population. The remaining area is rural, with a number of smaller market towns and large villages spread across the district.

Across the district, there are a wealth of assets making Carlisle a great place to live, work and visit.

Principles:

Clarity, confidence and commitment

We will be a clear, committed and confident Council. The principles have been developed by our staff and councillors to guide how we will deliver our vision for Carlisle. By setting out our vision, we show that we understand the needs of Carlisle's residents, businesses and visitors. Our plans to respond to these needs are clear and straightforward. We know what is expected of us and do our best to

create clarity in how we work. We are committed to achieving our vision for Carlisle. We will ensure that our day to day work and resources are consistent with the priorities. We will continue to work effectively with partners to drive positive change for Carlisle and will celebrate our successes and achievements. As part of our ongoing work to develop all our communities we will engage young people and make sure the Carlisle Plan helps to deliver their aspirations for Carlisle.

3) Current Position

Current workforce

The workforce has changed significantly over the past 10 years: FTE in 2008 was 812 compared to FTE in 2018 of 457, see table 2 below. In the main this was due to the TUPE out of some service areas, the setting up of The Tullie House Trust and austerity measures which required great savings and new methods of delivering the service. The result of these savings have seen a reduced number of Directors, flatter management structures and slimmed down workforce. This was a desired outcome that has in parts created a flexible and multi skilled workforce with less hierarchy.

Within the past 5 years the Council carried out 2 voluntary redundancy exercises; 2013/14 and 2016/17, with the most recent one including early release, lessons learnt from the 2013/14 exercise, this provided an opportunity to re- invest some savings made back into re aligning service provision. Whilst the recent exercise was primarily aimed at savings the decision to include early release was strategic to provide opportunities to work differently. This has improved opportunity for local workforce planning and created additional career grades for progression at officer level.

However, the flatter structures have resulted in reduced management roles which impacts on opportunities to gain practical management experience. There is a big step from officer or supervisor to the next level of management. Senior managers have communicated concerns regarding the aspirations and skills of those in junior management positions to progress to more senior roles within the organisation. This is evidenced by the recent recruitment into management roles within the authority where 5 posts (grade 1 and above) were filled by external applicants, none were filled by internal candidates, although that should be the preferred option. However, it must be recognised that with a shrinking workforce and recruitment in specialist fields external recruitment may be the accepted method, and may be positive, allowing the Council to attract new talent.

In addition the need to work with outside partners and specialist advisers has increased; this requires new methods of managing and improved skills in commercialism and contract management.

Job roles have become more diverse, the development of information technology has had an impact on the way we do our jobs allowing for more agility in the way we work, where we work and when we work. This requires a different approach to managing people and performance management. This change must be seen as a positive as may support recruitment and retention of a diverse and talented workforce.

Although we have experienced some reduction in workforce age and increase to younger workers, an aging workforce continues to be a challenge with benefits in some parts, retaining talent whilst allowing for progression opportunities is key for service delivery. A greater take up of flexible retirement has been evident and this impacts on workforce planning whilst also supporting mentoring opportunities for succession. We continue to encourage our older workforce to engage with ongoing learning and development; however the opportunity for experienced colleagues to pass on knowledge and opportunities for work shadowing may be developed further.

Front line service where physical demands impact on some of our older workers will continue to be a challenge.

In the last 12 months there has been an increase in the recruitment of apprenticeships, this was encouraged as part of the voluntary redundancy and early release programme in 2016/17, allowing for some savings to be re-invested in service design. The age profile of the Council continues to highlight the need to attract younger workers, to ensure succession planning takes place and secure a capable future workforce. See below section on demography regarding the challenges and further insight on the demands for recruitment of a younger workforce.

The retention of Council workers is generally positive and reflects the age profile of the Council workforce; however in some parts of the Council they continue to struggle to retain skilled workers, where pay falls behind that of the private sector, drivers in neighbourhood services are an example of this challenge. The opportunity for managers to offer market factor supplements has provided some local actions to address pay gaps.

Although it should be recognised that the Council is proactive in supporting equal and improved pay and conditions evidenced by the current ongoing commitment to the Foundation Living Wage, job evaluation and age related pay for apprentices. Employee benefits continue to be enhanced and include:

- Pension
- Child care vouchers
- Car purchase scheme
- Cycle to work scheme

- Computers scheme
- Employee Assistance Programme
- Access to counselling
- Access to physiotherapy
- Occupational Health
- Payroll giving
- Medicash
- Long Service awards
- Wellbeing activity
- Wellbeing lunch time learning
- Agile working
- Subsidised health club membership
- Holiday purchase scheme
- Qualification study
- Internal NVQ centre

Previous financial year spend on Workforce Development and Wellbeing:

Table 2

Budget	Activity
£52,400	Corporate Training
£25,900	Qualification Study
£22,600	Wellbeing

Please note that service areas have additional budgets for service led training and we have additional budget for member development.

Table 3

Headcount

Year	Count All	Gender	Perm Employee
2008	FTE 812	F: 404 M: 408	735
2018	FTE 457	F: 237 M: 220	432

Full workforce profile available at appendix 1.

Diversity

The Annual Equality Report identified gaps in our workforce data, with age and gender the only characteristics being fully declared. The Council aims to create an environment where employees feel comfortable and secure in providing this information, although individuals are not obliged to do so.

All employees received a personal data form attached to their February 2017 payslip, requesting that they provide up to date equality data. Information provided has been added to employee details stored on iTrent and the percentage of undeclared information has reduced for all characteristics. Sexuality and religion have the largest increase in information declared, from over 80% of information missing to just under 40%. This confirms that the approach to encourage employees to declare information was partly successful. However the Council still have work to do on capturing up to date declared equality data.

In areas where information was declared, the diversity of our employees for some of the protected characteristics has slightly increased. Our workforce has also changed following the voluntary redundancy and early release programme in 2016/17. The average age of employees has reduced, due to an increase in the number of employees aged 16-24 and a reduction in staff aged 45+. Although further recruitment of younger workers is required to safeguard future workforce needs. The continued transformation of the Council through service reviews has identified improved strategies for recruitment and career growth opportunities for existing staff. This is evidenced by an increase in career grade posts across the Council; over 80 individuals are on a career grade.

Gender

Table 4

Gender Pay Quartile Figures

Upper Quartile	Upper Middle Quartile	Lower Middle Quartile	Lower Quartile	
Males 58/108 = 0.53 = 53.7%	Males 38/108 = 0.35 = 35.19%	Males 55/108 = 0.50 = 50.93%	Males 64/108 = 0.59 = 59.26%	
Females 50/108 = 0.46 = 46.3%	Females 70/108 = 0.64 = 64.81%	Females 53/108 = 0.49 = 49.07%	Females 44/108 = 0.40 = 40.74%	

The upper quartiles would reflect the current numbers of Directors and senior managers, the recent voluntary redundancy exercise resulted in reduction in this quartile of females.

The lower quartile reflects the numbers of employees employed in front line services where more men are employed within tradition roles of gardeners, refuse workers and street cleaners. Although the Council have recruited some females into refuse driver posts. Female numbers reflected in the lower quartile are traditionally cleaners and entry level administration, although the Council have recruited a small number of males to these areas of work.

Although females are represented well in the upper middle quartile for the Council as a whole, there are departments where females in management roles are significantly less than males where females represent the majority of the team. This reflects an historical situation where the lack of management turnover impacts on progression opportunities, with the changes to agile working opportunities we would hope to readdress this position in the future.

Pay rate

Table 5

Mean gender pay gap in hourly rate		Medium gender pay gap in hourly rate	
Mean hourly pay rate for men	£12.65	Median hourly pay rate for men	£10.59
Mean hourly pay rate for women	£12.38	Median hourly pay rate for women	£11.26
Mean gender pay gap as a % of men's pay	2.13%	Median gender pay gap as a % of men's pay	-6.32%

Aspiration

It would appear that some employees and lower middle managers within the Council have a lack of opportunity and lack desire for progression to more senior management positions, this may be a reflection of the Council cuts over the past 10 years, low staff turnover or lack of investment at staff levels regarding future progression into these areas. Although the Council have and do provide an enhanced learning environment which has seen excellent progression at entry level to officer level posts, including the achievement of higher level qualifications, see table 6 below. More could be done to identify future managers and leaders at both entry level and officer level, further investing in opportunities to build emotional intelligence, confidence and aspiration. This may require a change within Directorates willingness to share talent across the authority.

Table 6 (2017 figures) qualifications held by Council employees many supported via internal learning and development

Highest NQF Levels

Number	Highest NQF Level	% of Current Staff
24		5.24
6	Level 1	1.31
129	Level 2	28.17
97	Level 3	21.18
37	Level 4	8.08
18	Level 5	3.93
73	Level 6	15.94
53	Level 7	11.57
3	Level 8	0.66
	Total %	96.07

Identifying and cultivating talent would require careful management as retention levels are high and opportunities for progression are limited, the Council face a choice of whether to invest and accept that some workers will progress out of the Council or limit development contributing to a lack of skill and aspiration to progress. Improved job design would be a great benefit to enable improved use of employee skills and experience allowing for improved delegation and autonomy. This may require and improve cross Directorate working which could contribute to the grow your own culture. Although our goal should not be purely focused on retention and as a Council we should celebrate the occasions when talent progress to do well in other Carlisle organisations.

Development afforded to managers has and continues to be extensive, all managers have access to a comprehensive development programme to enable them to deliver against their objectives and leading teams, this is supported by coaching and attainment of relevant management qualifications. See table 7 which highlights current study levels taken in 2017, management includes level 3 and above, this does not include the eLearning provision and additional off the job training for managers including; workshops for the management competency standards, ethical governance and HR related topics.

Table 7 current studying during 2017 via Council learning and development

Current Study Levels

Number	Current Study NQF Level	% of Current Staff
2	Entry Level	0.44
14	Level 2	3.06
16	Level 3	3.49
8	Level 4	1.75
1	Level 5	0.22
3	Level 6	0.66
3	Level 7	0.66
	Total %	10.26

External coaching has increased in the past two years and more managers request this support, whilst external support offers benefits it would be advisable to develop in house coaching skills to better equip managers, support a growing culture of coaching within teams.

Wellbeing

Workplace Wellbeing continues to be a major aspect of the modern workplace and where the Council previously led the way now many private sector organisations are offering similar benefits.

Areas of specific wellbeing concerns including mental health are now included within the remit of the Health and Safety executive and expectations of managers to be able to support their teams with individual wellbeing need’s increases.

The Council have invested significantly in this area and continue to do so, the need to ensure that managers have the skills and ability to support teams is crucial, adding wellbeing to the management competency standards will support this understanding. The Council have also committed to working towards the ‘Better Health at Work’ award, pledges to the ‘Time to Change’ campaign and provide support to carers.

Engagement

Employee Engagement is about being an organisation that strives to ensure that employees have the opportunity to enjoy their work, be fulfilled and perform to the best of their ability.

“Being focused in what you do (thinking), feeling good about yourself in your role and the organisation (feeling), and acting in a way that demonstrates commitment to the organisational values and objectives (acting) - Chartered Institute of Personnel and Development

Employee Engagement is becoming increasingly important for the changing face of Local Authorities in terms of how we deliver services within an increasingly changing environment (move from generation x to y and differing expectations of work), changing nature of work and increase in technology with greater emphasis on outputs and the drive for added value from people management practices. Ensuring Carlisle City Council have engaged employees will help us face the challenges of the future as we move forward from Brexit and possibility of further period of austerity.

The Council currently deliver a range of programmes that contribute to employee engagement including: training and development, appraisal process, staff benefits, management competency standards, wellbeing events and regular communications and updates. However, we acknowledge the need to do more and the link between engaged employees and improved business performance.

There is always room for improvement and as a Council we can do more to ensure that our employees are happy whilst at work and recognise when a good job has been done. Managers play an active part in employee engagement and the management competency standards help outline aspects of their role.

Results from the recent staff survey will help identify key actions required to sustain and improve employee engagement.

Learning and Development

Learning and Development continues to be key to the Council offer to the workforce and provides a good return on investment, staff opinion surveys highlights the high numbers of staff engaged with learning and development; 70.1% have taken part in learning and development in the last 12 months (2016 staff survey).

Learning and Development is delivered in many different forms including; off the job training, eLearning, coaching, on the job training, lunch time learning and more. Subjects and outcome vary depending upon demand and include entry level literacy and numeracy to higher post graduate qualifications, the Council has a well-supported and skilled workforce. Data on qualifications held by Council employees can be viewed in Appendix 2

The organisational development team continue to run the NVQ centre delivering bespoke qualifications. The team have further developed the offer to apprenticeships and trialling different ways of accessing the apprenticeship levy to aid workforce development.

Whilst options for continuous learning and development continue to grow and learning opportunities are investigated it is now evident that improved evaluation techniques are required. The improved evaluation will ensure that skill development and behavioural changes are impacting on business/ service results.

The eLearning provision will be further developed to support cost effective solutions to delivering learning and encourage improved agility for easy access, this development will further aid the Council in reaching the expectations of a digital savvy younger workforce.

The celebration of learning events takes place annually and is well supported by employees, this contributes to the engagement of the workforce and retention of talent.

Mental health and wellbeing has been a key focus for the Council throughout the year. Examples of support and training offered to staff included:

- Occupational health referrals
- Pledged to the 'Time to Change' campaign
- Set up intranet pages regarding mental health
- Promotion of Mental Health Awareness Week
- Mental Health presentation to Management Briefing and staff promotion of MIND (national charity for mental health issues)

- Mental Health First Aider Training and Mental Health Awareness Training
- Health and Wellbeing day
- Promotion of the Council's Employee Assistance Programme
- Development of Health Advocates to help us work towards The Better Health at Work Award.

The appraisal process has grown in delivery across the Council and now includes all service areas and is linked to the improvement of the business planning process at service levels. This incorporates improved performance management techniques and improved innovation, encouraging teams to identify delivery models and solutions to problems. The appraisal process is a key part of the performance framework for the Council and reaches all levels of the workforce.

Agile working

The Council committed to the 'Time wise' accreditation in 2016 and as part of our Timewise accreditation, we have continued to develop flexible working through our Agile Working Strategy. We raised awareness across the Council by:

- Setting up an initial working group to progress the objectives of agile working
- Holding an agile working session at June 2016 Management Briefing
- Delivering 'bite size' training events to managers on agile working topics
- Developed an Intranet site
- Updated our Homeworking Policy
- Adopted the Timewise logo on our website and documentation during 2016/17.

The Council also completed a staff survey in 2017 regarding agile working which highlighted the following:

- 52% of staff have used agile working in some way, of which 83% is adhoc
- 60% of staff felt that the use of agile working had increased within the last 12 months.

The commitment to supporting agile working remains in place. This has been supported with the I.C.T strategy and improved agile technology, we believe that agile working will help attract talent and improve business performance.

Claire Mansfield, Head of Research at NLGN and co-author of the report; Outside the Box said:

“It is encouraging that public sector ethos and work life balance came out so strongly as motivations for local government. There is a great opportunity for local councils to embrace these priorities in their recruitment and retention of staff, but this may require a change in working practices across local councils.”

Culture

The Council have invested significantly in Culture change over the past 5 years, this has been supported by the development of Management Competency Standards, training for managers regarding the standards, the development and communication of the 3 C'S; Clear, Committed and Confident.

This has further been supported by ongoing learning and development and changing attitudes and developed processes to support agile working, improved process for service planning and appraisals.

The recent voluntary redundancy and early release scheme also helped to contribute to new ways of working and reducing hierarchical structures, allowing for improved autonomy and decision making at a local level.

The report 'Outside the Box' states *“ As part of their approach to staff development, councils should address mind-sets and approaches to work to develop a more outcomes focused, flexible and can-do attitude.”*

Although more work is required the Council is in a good position to progress a consistent change in culture that is required across the whole organisation. This change includes improved performance management, improved agile working and the introduction of staff competency standards.

The new service planning and appraisal process contributes to this shift by encouraging services to identify and focus on key outcomes whilst reducing the opportunity for presentism, this contributes to ensuring that the Council employ an engaged workforce.

4) Demography and the labour market

The current workforce statistics appendix 1 identifies the previous lack of investment in attracting younger workers; this reflects a national picture and the demand to attract a shrinking pool of younger talent will increase as the City attracts new investors and opportunity for work.

The replacement demand and growth demand exceeds projections for Working Age Population.

*Cumbria's working age population (16-64) is shrinking, contrary to national trends, and based on current projections will reduce by nearly 20,000 people between 2016 and 2026. By 2037, it is forecast to have reduced by 41,000 people.*¹

*Carlisle is the only district in Cumbria where the working age population grew between 2001 and 2014 (+6%).*²

*The number of young people aged 0-15 in Cumbria fell by 9% between 2004 and 2014, compared with a 3% increase nationally.*³

*The proportion of working age adults with level 4+ qualifications is lower in Carlisle than nationally at 23.8% (England 29.8%).*⁴

An estimated 41% of the replacement demand jobs in Cumbria between 2016 and 2021 (c. 27,500 jobs) are expected to be at Level 4 or above.

Gross weekly earnings for residents living in Carlisle and at workplaces located in Carlisle are below the national average.⁵
Over a quarter (26.6%) of jobs in Carlisle are estimated to pay below the Real Living wage (UK 23.2%).⁶

¹ Cumbria LEP Skills Plan Evidence Base

² Cumbria LEP Skills Plan Evidence Base

³ Cumbria LEP Skills Plan Evidence Base

⁴ Cumbria JSNA: Economy, Skills & Employment

⁵ Cumbria JSNA: Economy, Skills & Employment

⁶ Cumbria JSNA: Economy, Skills & Employment

5) Action Plan

During periods of savings and great austerity the Council has continued to invest in workforce skills and wellbeing, this has resulted in the development of a highly skilled and motivated workforce capable of responding to and dealing with change. This was evident during the 2016/17 voluntary redundancy and early release scheme and the floods of 2016.

This action plan reflects what we are doing well and encourages us to continue to evolve and reflect on the changes required to enhance our current and future workforce.

The corporate action plan below focuses on 5 key areas for the Council; it identifies what is happening now and actions for the future. The need to attract talent and retain talent is referred to in a number of the key areas and actions, as is the development of innovation in the way we work and the opportunities to think differently about job design and methods of working.

Local service plans and service learning plans will continue to be reviewed and developed at that level allowing for team autonomy and reaction to the demands of the service, relevant outcomes will be incorporated into the corporate learning and development plan.

The culture of the organisations is captured within these key areas and is reflected in all aspects of the plan.

The Council has made good progress and managed the reduction in workforce numbers well; we are now facing the demands of an ever changing workforce, unknown effects of Brexit and a growing City. It is important that our plans are well defined and actioned to enable the Council to continue to adapt and develop its workforce.

The action plan is based on the assumption that the local authority will continue as is currently and is subject to change affected by political needs, budget restraints and autonomy.

Please note that the action plan is a steer for corporate and service planning processes.

Action Plan		
1. Developing Leadership Capacity		
What is happening now		
<ul style="list-style-type: none"> • Corporate management working groups • Management Competency Standards • Mentoring available as required • Common purpose programme • Management development programmes • Graduate development • External coaching 		
What is needed	Who	When
Aspiring leadership programme to identify talent include working across Directorates	OD & SMT	2019 recruitment with two year programme to allow time for cross Directorate working
Mentoring between Managers to provide ongoing support and encouragement to aspire for leadership progression	OD & MGRS	2018-19 Development of Mgrs 2019 – 20 First group delivering
Leaders maintain the culture for a learning and supporting Council	SMT	2018 ongoing
Develop culture of coaching	OD & MGRS	2018-19 coaching programme identified 2019-20 recruitment and first group developed to provide internal coaching 2020 ongoing
Directorates provide short term leadership experiences for staff and trainees to build confidence.	SMT	2018-19 set up

Create innovation teams to identify future talent and support people develop new ideas and tackle projects	SMT	2018-19 set up
Identify career pathways	HR	2019
Develop aspiring leadership course for women	OD	2018 trial delivery to one group
Review Management Competency Standards	Transformation Board & SMT	2018
Action Plan		
2. Supporting and maintaining workforce wellbeing		
What is happening now		
<ul style="list-style-type: none"> • Occupational Health • Employee Assistance Programme • Access to physiotherapy • Wellbeing days delivered • Health checks provided • Flu jabs offered • Wellbeing advocates • Trained first aiders and mental health first aiders • Working towards the Better Health at Work • Survey identifying workforce needs completed • Regular wellbeing information and workshops available • Lunch time learning activities • Carers support • Pledge to Time to Change campaign • Intranet site with access to wellbeing information • Reduced price at Sports centre • Counselling • Coaching • Mentoring • Reasonable adjustments 		

<ul style="list-style-type: none"> • Agile working options • Support for pregnant mothers • Risk assessments carried out • Regular health and safety training 		
What is needed	Who	When
Stand up desk options to reduce time spent sitting down	OD	2019 options available to trial
Lunch time walking options to encourage time out of building and walking	OD	2018 set up one per week
Relaxation room for lunch breaks	OD	2018
First Aid room to be set up	E,H&S MGR & SMT	2020 in line with ground floor development
Mental Health awareness courses for all managers to raise awareness and support	OD	2018
Improved offer to lunch time learning to encourage male take up	OD	2018
Staff competency standards for all	OD &SMT	2018 -2019
Actively demonstrate and manage dignity and respect	SMT	ongoing
Review the employee assistance programme	EH&S MGR & OD	2019
Action Plan		
3. Develop the skills and capacity of the workforce		
What is happening now		
<ul style="list-style-type: none"> • N.V.Q programmes available for staff • Management development available from entry levels to advanced • Corporate development programme • On the job development service specific • eLearning programme 		

<ul style="list-style-type: none"> • Health and Safety training • Skills audit for I.C.T completed • Basic skills provision available • Apprenticeship programmes • Ethical governance programme • Organisational Development Team • Lunchtime learning options • Coaching • Mentoring • Counselling 		
What is needed	Who	When
Introduce a staff competency standards framework developed with staff	OD &SMT	2018
Improve culture of coaching	OD & SMT	2018-2021
Introduce improved evaluation of development actions	OD	2018
Develop set eLearning modules to improve induction of new staff service area specific	OD	2018-2020
Develop qualification framework for key areas of service provision	HR,OD & MGRS	2020
Improve investment in apprenticeship for new and existing staff	OD & SMT	ongoing
Ensure Managers attend management development courses	SMT	ongoing
Ensure I.T development opportunities match the requirements of the I.T strategy	OD & I.C.T	ongoing
Review appraisal process	OD& SMT	2019

Amend corporate development programmes to reflect cross service needs	OD	2019
Identify and encourage cross Directorate working	SMT	2019
Identify secondment opportunities within and outside the Council	HR &SMT	ongoing
Identify talent and deliver confidence and aspirational development programmes	OD	2019
Review job design opportunities	HR	2020
Develop performance management systems to better motivate and evaluate team and individual performance.	HR & Policy	2020
Action Plan		
4. Resourcing the Council		
What is happening now		
<ul style="list-style-type: none"> • Improved investment in apprenticeship recruitment • Positive about disabled Council • Agile working opportunities • Recruitment team to support process • Access to learning and development • Managers trained in recruitment • Structured recruitment process with options for managers to tailor • Market Factor Supplements available as required • Equal pay and job evaluation • Workforce benefits • Flexible contracting options • Agency contracting 		

What is needed	Who	When
Extend apprenticeship provision to include: <ul style="list-style-type: none"> • Higher levels • Graduate recruitment 	O.D & Mgrs	2018 recruitment
Improve equality data collection and management	HR & P&P	2018
Improve workforce job design to include more agility	HR	2019 review of workforce job design
Continue to invest and promote agile working	HR & SMT	ongoing
Identify progression routes and plan for skills transfer between staff	HR	2019
Improve Council website to include range of careers, opportunity and benefits	HR & P&P	2019
Attend career fairs	P&P	2018 ongoing
Identify and use new methods of recruitment	HR & P&P	2018 ongoing
Build relationship with job centre plus	HR & P & P	2018 ongoing
Offer and develop work experience programmes	HR, P&P, OD	2018 ongoing
Build relationship with Schools, Colleges and Universities and offer placements	HR, P&P, OD	2018 ongoing
Identify opportunities for traineeship as an entry to apprenticeship for students at a disadvantage	HR & OD	2019
Identify gaps in wages between public and private sector, offer market factor supplements	HR	2019
Service areas to identify gaps and future gaps as part of planning cycle	SMT & MGRS	2018 ongoing

Develop quality structured volunteer opportunities to support additional service delivery including work placements for students.	HR	2019
Identify appropriate career paths and grade structures to attract and retain talent	HR	ongoing
Identify cross Directorate working	HR& SMT	2018 ongoing
Action Plan		
5. Employee Engagement		
What is happening now		
<ul style="list-style-type: none"> • Access to learning and development • Qualification Study • Comprehensive wellbeing programme • Chief Executive staff briefings • Staff Survey • Equal pay and job evaluation • Comprehensive workforce benefits • Flexible contracting options • Management Briefing • Management competency standards • Strategic working groups 		

What is needed	Who	When
Improved communication in particular sharing best practice and recognition	SMT & MGRS	2018
Introduce 'post it' with comments congratulating people for all members of staff to use between colleagues. e.g. Thank you for listening Good Job Handled that well Great idea	OD	2018
Review management competency standards to include engagement and wellbeing	Transformation Group / SMT	2018
Introduce staff competency standards with staff input	SMT/OD	2018
Improve workforce job design to include more agility	HR	2019 review of workforce job design
Continue to invest and promote agile working	HR & SMT	2018 ongoing
Identify progression routes and plan for skills transfer between staff	HR	2019

Identify opportunities for working groups across the Council to work on specific projects	SMT	2019
Introduce staff recognition scheme	HR	2019
Identify appropriate career paths and grade structures to attract and retain talent	HR	2018 ongoing
Introduce pulse staff satisfaction surveys	Policy, O.D & HR	2019
Introduce more flexible options for attending wellbeing sessions e.g Yoga at the end of the day	OD	2018

Report to Employment Panel	Agenda Item:
-----------------------------------	--------------

For Information Only

Meeting Date: 11th February 2019
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework YES
 Public / Private Public

Title: APPRENTICESHIPS
 Report of: Corporate Director of Finance and Resources
 Report Number: RD39/18

Purpose / Summary:

Provide an update on the Council’s progress on delivering Apprenticeships within the workplace and the use of the Apprenticeship Levy.

Recommendations:

Consider the progress made by the Council regarding its commitment to recruitment of Apprentices and use of the Apprenticeship Levy.

Tracking

Executive:	n/a
Scrutiny:	n/a
Council:	n/a

1. BACKGROUND

1. The Government has committed to deliver three million apprenticeships by 2020. With ministers insisting "the public sector needs to improve from its current position of delivering comparatively fewer apprenticeships than the private sector", legislation passed in The Enterprise Act gave the Secretary of State powers to set public bodies individual apprentice targets. Carlisle City Council has an annual target of 10.
2. The Government introduced the Apprenticeship Levy in April 2018. Carlisle City Council are obliged to pay the Apprenticeship Levy to the government, this payment is based on a percentage of payroll costs and is to pay for the delivery of training to Apprentices. The Apprenticeship Levy may also be used to pay for current staff accessing Apprenticeship training.
3. Recruitment and retention of Apprentices was low within the Council and therefore, following a report to the Employment Panel in 2017, an improved pay offer for Apprentices was agreed.
4. To support the Council in securing Apprenticeship provision for talent management and developing future workforce skills, full Council approved a budget to support the salary costs of Apprentices; The Apprenticeship Infrastructure Fund.
5. The improvement to the pay offer and Apprenticeship opportunities has resulted in an improved response to Council recruitment campaigns for Apprenticeship positions.

Year	Recruitment Campaign	Applications	Recruitment
2017	Apprentice Admin	4	Yes
2017	Apprentice Mechanic	5	Yes
2018	Apprentice Mechanic	22	Yes
2018	Health & Safety	16	Yes

6. The current situation regarding Apprenticeship positions is shown below:

Apprentice	Positions	Current Situation
Gardeners	2	On programme
Digital Communications	1	On programme
Technical Clerk Neighbourhood	1	On programme

Health, Safety & Environment Asst	1	On programme
Mechanic	2	On programme
HGV driver	1	On programme
Finance	1	On programme
Management L3	8	On programme
Technical Clerk Neighbourhood	1	Awaiting Recruitment
ICT Security	1	Awaiting Recruitment
ICT programming	1	Awaiting Recruitment
ICT project mgmt.	1	Awaiting Recruitment

7. To aid succession planning an additional 2 Apprenticeship positions are in the process of being developed.
8. In addition to the above the Workforce Development Manager has in partnership with one of our training providers identified an avenue to use the Apprenticeship Levy to pay for the delivery of The Every Day Leaders programme for current staff.
9. The Every Day Leaders programme is aimed at developing talent for potential new ways of working and progression opportunities. 8 staff from across the Council will be funded using the Apprenticeship Levy.
10. The Council currently have 17 Apprentices; 7 new posts, 10 current staff plus an additional 4 posts awaiting recruitment.
11. Organisational Development have also implemented several strategies to aid support of Apprentices, including; additional Apprenticeship support programme and trained workplace Mentors.
12. Whilst the Council have identified new and improved Apprenticeship opportunities to aid talent and progression management, it is possible that more could be done to recruit into entry level posts such as in refuse collection etc. In the past this option has been hindered by lack of training provision suited to the posts.
13. Carlisle City Council continues to include the use of apprentices within its people management strategies and many more departments have identified increased opportunities for apprentices.

Contact Officer: Julie Kemp

Ext: 7081

Appendices to report: None

CORPORATE IMPLICATIONS:

LEGAL – Not Applicable

FINANCE – Recurring budget of £60,000 was approved by Council from 2018/19 onwards to provide funding for the salary costs of Apprenticeships. The Council also makes use of the apprenticeship levy to fund training requirements.

EQUALITY – Improve diversity within the Council

INFORMATION GOVERNANCE – Not Applicable