

EMPLOYMENT COMMITTEE

MINUTES OF A MEETING of the Employment Committee held on Tuesday 2 October 2012 at 12.15 pm in the Executive Meeting Room, Floor 3, Guildhall, Portsmouth.

(NB These minutes should be read in conjunction with the agenda and reports for the meeting which can be found at www.portsmouth.gov.uk)

Present

Councillor Gerald Vernon-Jackson (In the Chair)
Councillor Leo Madden (Vice-Chair)
Councillor Lynne Stagg
Councillor Rob Wood
Councillor Donna Jones

Officers Present

Mr David Williams, Chief Executive
Mr Jon Bell, Head of Audit & Performance Improvement
Ama Juss, Employment Lawyer
Mr Shaun Tetley, Payroll & Pensions Manager
Jacqueline Coonie, Senior Manager HR –
Employee Relations
Mr Chris Ward, Section 121 Officer
Ms Dominique Shaw, Business Planner

32 Apologies for Absence (AI 1)

Apologies for absence were received from Councillor Simon Boshier.

33 Declarations of Members' Interests (AI 2)

There were no declarations of members' interests.

34 Minutes – 3 July 2012

Under the minutes, an urgent matter arising was raised and dealt with as follows: -

The Chief Executive explained that since the last meeting of the Employment Committee when part of a resolution had been to divide the Asset Management Service among different Heads of Service, it had become apparent that further changes were needed in order to streamline the delivery of various aspects of the service. The Chief Executive explained that he anticipated several minor changes would be necessary over the next few years but that at present the urgent need for change was:

- To move more of the building repairs to Owen Buckwell's service.
- To move the strategic property side to Mr Steve Baily's service.
- To move the remainder of the Asset Management role to Mr Alan Cufley's service.

The Chief Executive said that he anticipated the changes would be broadly settled by Christmas.

RESOLVED that (1) the minutes of the meeting of the Employment Committee held on 3 July 2012 be confirmed and signed by the chair as a correct record; and

(2) the Chief Executive be authorised to further streamline the Asset Management service and to bring back an update report to a future meeting of Employment Committee.

35 Pension Auto-Enrolment (AI 4)

(TAKE IN REPORT)

Mr Shaun Tetley, Payroll and Pension Manager, introduced the report which was to advise the Employment Committee of the new Pension Reform Legislation covering Auto Enrolment and to seek approval for the recommendations contained in the report. Mr Tetley explained that the Pensions Act 2011 requires employers to automatically enrol eligible employees into a qualifying pension scheme where they are not currently a member. This task then needs to be repeated every three years which imposes significant administrative burdens on the city council and has financial implications. Mr Tetley explained that the main aim of the legislation was to increase pension provision in the private sector but that an unintended consequence was of significant additional cost and bureaucracy for local authorities when there appears to be little benefit to them. Mr Tetley said that a number of authorities wrote to the Secretary of State for Communities and Local Government (The Right Honourable Eric Pickles) to complain about this unnecessary burden and a copy of the letter from the Leader of Portsmouth City Council was attached to the report.

During discussion the following points were made:

- It was confirmed that nothing had been set aside in Portsmouth City Council to cover the increased administrative cost of complying with the legislation.
- It was confirmed that the extra administrative burden would lead to the already huge deficit in the Hampshire Pension Scheme to be worsened.
- It was confirmed that the new legislation meant that it was more difficult to get a refund of contributions paid in, if an employee leaves employment as this had to be completed within a three-month period.

- It was suggested that consideration might be given for Hampshire Pension Fund to join the LGA Group of Local Pension Funds as this may be of benefit.

RESOLVED that (1) the city council opts to use the transitional arrangements to defer the assessment of the existing workforce from 1 April 2013 to 30 September 2017.

(2) the city council defers the eligibility to Auto-Enrolment for casual workers for 3 months from their commencement date; and

(3) members delegated administrative decision making on Auto-Enrolment to officers where issues are identified in the local authority working party meetings (see 3.7 of the report)

36 Proposal to bring pedal cycle mileage rate in line with HMRC (Her Majesty's Revenue & Customs) Rates (AI 5)

(TAKE IN REPORT)

The purpose of the report was to consider whether the pedal cycle mileage rate should be brought into line with HMRC recommendations as the current value is 36.9p per mile which is above the recommended HMRC rate for pedal cycle mileage which is 20p per mile.

RESOLVED that members agree to lower the pedal cycle mileage rate from 36.9p per mile to 20p per mile in line with HMRC recommended rates.

37 Buying Annual Leave Scheme for Employees (AI 6)

Ms Jacqueline Coonie, Head of Human Resources (Acting) introduced the report which was to provide Employment Committee with information to decide whether to implement a policy to allow employees to buy additional annual leave. She explained that since the report was written it had become apparent that bullet point 3 may not be able to be implemented via a salary sacrifice and that it was suggested that it be replaced by the words 'delegate authority to the Head of Finance and Section 151 Officer to implement the scheme in the most tax efficient and cost effective manner'.

During discussion the following points were raised:

- The proposed change to the recommendation in bullet point 3 was to allow flexibility for PCC to introduce this in the most tax efficient way
- Members were concerned that adequate guidance should be give to managers and Heads of Service given that the Head of Service in conjunction with the Line Manager has the authority to refuse any requests.

- It was confirmed that allowing an employee to buy annual leave is likely to result in tax efficiencies being made by the authority which were not available if an employee simply took unpaid leave.
- Members were concerned that if large numbers of employees sought to take advantage of this option, that there would be no adverse effect on services at certain times of the year such as school holidays.
- Ms Coonie confirmed that there was no feedback on potential take up if this policy were to be adopted but that it was anticipated that there would be a relatively low take up. However, even a low take up would result in worthwhile savings for the authority.
- Ms Ama Juss confirmed that restricting the policy to permanent employees of Portsmouth City Council (excluding schools) did not contravene the equalities legislation.
- Members requested information about the various comments under the heading Equality Impact Assessment that appeared on all reports and this would be given outside the meeting.

RESOLVED that Employment Committee

- (1) **agree to implement this policy with effect from the annual leave year commencing 1 January 2013;**
- (2) **agree the draft policy document (attached as Appendix A to the report);**
- (3) **delegate authority to the Head of Finance and Section 151 Officer to implement the scheme in the most tax efficient and cost effective manner; and**
- (4) **agree to actively support and promote the policy as an additional benefit to employees.**

38 Christmas Closure 2012 (AI 7)

(TAKE IN REPORT)

Ms Jacqueline Coonie outlined the contents of the report and said that reference to Oldham in part 4 of the report had been included in error. The purpose of the report was to inform Employment Committee of the impact of a one day Christmas Closure for 24 December 2012 (sandwich day).

RESOLVED that Employment Committee agree for Christmas closure to be implemented for 24 December 2012.

39 Career Break Policy (AI 8)

(TAKE IN REPORT)

Ms Jacqueline Coonie explained that the purpose of the report was to recommend the removal of or amendment to the existing Career Break Policy. She explained that in the current economic climate and with the number of service reviews taking place on an annual basis that it was difficult to guarantee an employee a post to return to following a career break.

Two recommendations were before the committee for decision today. The first recommendation was to remove the career break policy permanently and not to replace it. The second recommendation was to remove the current career break policy and replace with a new policy which states that the employee must resign from their substantive post, that there will be no accrual of annual leave or pension contributions made during the break and there is no guarantee of a job at the end of the career break. At the end of the career break, the employee will have preferential consideration for any job they apply for ahead of external candidates but not ahead of employees who are on the redeployment register. The period of the career break will not count towards continuous employment service for redundancy or pension purposes, but the service either side of the break will be aggregated. During discussion the following points were raised:

- The number of people likely to be affected was small.
- Members felt that during a recession it seemed unfair that an employee taking advantage of a career break could continue accruing pension contributions.
- One member felt that an employee should be entitled to go back to their original job but that no pension entitlement or annual leave should be offered during the career break.

Following further discussion members agreed by a majority vote on option 2.

RESOLVED that Employment Committee agrees that the existing career break scheme should be replaced with an alternative career break scheme which terminates employment and no longer guarantees a post to return to (as set out more fully in paragraph 4 of the report recommendation 2)

The date of the next scheduled meeting of Employment Committee is 6 December 2012 at 12.15pm.

The meeting concluded at 12.55pm.

Chair