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# NOTICE OF MEETING

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## EMPLOYMENT COMMITTEE

MONDAY, 10 MARCH 2014 AT 2.00 PM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

Telephone enquiries to Vicki Plytas on 023 9283 4058

Email: [vicki.plytas@portsmouthcc.gov.uk](mailto:vicki.plytas@portsmouthcc.gov.uk)

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### Membership

Councillor Steven Wylie (Chair)  
Councillor Gerald Vernon-Jackson (Vice-Chair)  
Councillor Donna Jones  
Councillor Leo Madden  
Councillor Luke Stubbs  
Councillor Rob Wood

### Standing Deputies

Councillor Jason Fazackarley  
Councillor Lee Hunt  
Councillor Hugh Mason  
Councillor Robert New  
Councillor Steve Wemyss

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(NB This agenda should be retained for future reference with the Minutes of this meeting.)  
Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: [www.portsmouth.gov.uk](http://www.portsmouth.gov.uk)

**Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendation). Email requests are accepted.**

## AGENDA

- 1 Apologies for Absence

**2**      **Declarations of Interests**

**3**      **Minutes - 1 October 2013** (Pages 1 - 4)

**RECOMMENDED that the Minutes of the meeting of the Employment Committee held on 1 October 2013 be confirmed and signed by the Chair as a correct record.**

**4**      **Localism Act - Pay Policy Statement** (Pages 5 - 14)

The purpose of this item is to comply with section 38(1) of the Localism Act 2011 (openness and accountability in local pay) to prepare a Pay Policy Statement. A Pay Policy Statement must articulate the Council's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff, Chief Officers and its lowest paid employees. A Pay Policy Statement must be prepared for each financial year, approved by Full Council no later than 31<sup>st</sup> March of each financial year and published on the council's website.

**RECOMMENDED that the Employment Committee is asked to approve the draft Pay Policy Statement attached as Appendix 1 to go forward for approval by the Full Council on 18<sup>th</sup> March 2014.**

**5**      **Sickness Absence Quarterly Report** (Pages 15 - 20)

The purpose of this quarterly report is to update and inform Employment Committee on actions being taken that have a positive effect on the levels of sickness absence across Services.

**RECOMMENDED that the Employment Committee continue to monitor sickness absence, on a quarterly basis, and to ensure appropriate management action is taken to address absenteeism.**

**6**      **Living Wage for Portsmouth** (Pages 21 - 26)

(report to follow including an exempt appendix)

NB If the exempt appendix is to be discussed, provision has been made for this to take place in exempt session.

**7**      **Date of Next Meeting**

The date of the next scheduled meeting is 17 June 2014.

**8**      **Exclusion of Press and Public**

**That in view of the contents of the following items on the agenda the Committee is RECOMMENDED to adopt the following motion:**

**“That, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the press and public be excluded for the consideration of the following item(s) on the grounds that the report(s) contain information defined as exempt in section 100I and by reference Part 1 of Schedule 12A to the Local Government Act, 1972”.**

Although there is a public interest favouring public access to local authority meetings, given the legally privileged and commercially sensitive information contained in the report, the public interest in maintaining the exemption outweighs the public interest in disclosing the (exempt) information.

(NB The exempt/confidential committee papers on the agenda will contain information which is commercially, legally or personally sensitive and should not be divulged to third parties. Members are reminded of standing order restrictions on the disclosure of exempt information and are invited to return their exempt documentation to the Democratic Support Officer at the conclusion of the meeting for shredding.)

<u>Item</u>	<u>Exemption Para No.*</u>
6 (exempt appendix)	3, 4 and 5

**Paragraph Exemption Nos:**

- 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)**
- 4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between Portsmouth City Council and employees**
- 5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.**

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# Agenda Item 3

## EMPLOYMENT COMMITTEE

MINUTES OF A MEETING of the Employment Committee held on Tuesday 1 October 2013 at 12.15 pm in the Executive Meeting Room, floor 3, the 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](http://www.portsmouth.gov.uk).)

### Present

Councillor Steve Wylie (Chair)  
Councillor Gerald Vernon-Jackson (Vice-Chair)  
Councillor Hugh Mason (deputising for  
Councillor Leo Madden)  
Councillor Rob Wood  
Councillor Luke Stubbs

### Officers Present

David Williams, Chief Executive  
Jon Bell, Head of HR, Legal & Performance  
Gemma Limburn, Senior Manager HR  
Fiona Morrison, Organisational Development & Employee  
Engagement Manager

#### **38 Apologies for Absence (AI 1)**

Apologies for absence were received from Councillor Donna Jones and from Councillor Leo Madden.

#### **39 Declarations of Members' Interests (AI 2)**

There were no declarations of members' interests.

#### **40 Minutes of the Meeting held on 18 June 2013 (and Exempt Appendix) (AI 3)**

**RESOLVED that the minutes of the meeting of the Employment Committee held on 18 June 2013 (and exempt appendix) be confirmed and signed by the chair as a correct record.**

#### **41 Hampshire Pension Fund Panel Appointment (AI 4)**

**RESOLVED that Councillor Gerald Vernon-Jackson be appointed to serve on the Hampshire Pension Fund Panel for the period 1 October 2013 to 30 September 2015 subject to his remaining an elected member of Portsmouth City Council.**

#### **42 Christmas Closure - Sandwich Day (AI 5)**

(TAKE IN REPORT)

Jon Bell introduced the report stating that the implications of closing on Friday 27 December 2013 affected services differently. He said that historically PCC has given staff an additional day's leave (pro rata'd for part time staff). Those staff that are required to work on 27 December providing essential services to the residents are given time off in lieu.

Members asked the Chief Executive to check the estimated cost of the sandwich day which he agreed to do.

**RESOLVED (1) that Employment Committee agree for Christmas Closure to be implemented for 27 December 2013, for the Civic Offices and non-essential services out stations;**

**(2) that all employees are given additional leave to take account of the Christmas Closure (pro rata'd for part time workers);**

**(3) that those staff required to work are given time off in lieu at a later date;**

**(4) for Heads of Service to determine which staff will be required to work, based on essential service delivery requirements.**

#### **43 Sickness Absence Update (AI 6)**

(TAKE IN REPORT)

Jon Bell introduced the report and said that the current sickness absence is 9.5 days on average per employee per year which represents a decrease since the start of the financial year when the figure was 9.76 days. A breakdown of absence levels by services is attached at Appendix A of the report. Jon Bell said that there was strong evidence that where HR staff have worked with those services where there has traditionally been high levels of sickness absence, an improvement has been seen.

Members discussed the sickness absence working group and felt that it was worthwhile to maintain the group, and the Chair of the Employment Committee, Councillor Wylie said that he intended to join the group.

Jon Bell stressed that the arrival of Public Health colleagues at PCC was useful to promote the wellbeing of staff. The Public Health employees brought additional expertise and future reports would be brought to the committee on matters concerning wellbeing.

In response to questions the following matters were clarified:

- With regard to the Port, it was noted that the long term sickness absence was out of line with the rest of PCC services. Jon Bell said that a relatively small number of employees worked at the Port so the figures were easily distorted when just a small number of people were on long term sick leave. He said that in his view more HR support would be helpful to the Port. However the Port has a degree of independence from PCC.
- With regard to sickness absence in Children's and Adult Social Care, sickness was mostly stress related. Mr Bell said that work was being done to look at the reasons behind that.
- Jon Bell said that the occupational health contract had been re-let and there was now a much quicker process in place for referrals to Occupational Health. There was also much more resilience in the service and early indications showed that managers are happier with the Occupational Health service under the new contract.

**RESOLVED that Members note the current levels of sickness absence across the council and the on-going efforts of members and officers to reduce sickness absence.**

#### **44 PCC Apprenticeships - Update(AI 7)**

(TAKE IN REPORT)

Jon Bell introduced the report and said that Fiona Morrison would be able to answer any in-depth queries that members have. He said that a review of apprenticeships provision is currently being carried out to understand the current and future needs in relation to apprenticeships across the city. In addition, the council's Economic Development, Culture & Leisure Scrutiny Panel is undertaking a review into pathways into work for young people in Portsmouth. The review is focussing on how to help young people into employment and training for employment (such as through apprenticeships). Currently PCC has 29 employees working towards an apprenticeship, 22 of these apprentices are existing staff and seven have been newly recruited. Mr Bell said that PCC should probably look at bringing more people in from outside and that they should be targeted more at young people.

During discussion the following points were raised:

- Members felt that the council had a particular responsibility as a corporate parent to target youngsters leaving care and felt that a report back on that particular aspect would be useful.
- With regard to apprenticeships in aspiring management, Fiona Morrison confirmed that these were often taken up by newly appointed managers as there was an NVQ in management so on the job training could be given. There were also technical certificates that could be worked towards.

- It was confirmed that of 44 people who started apprenticeships, 29 remained in the scheme at Portsmouth City Council.
- Additional information was requested about how many of the apprentices that have completed their programme are still working for the council. This would be provided and circulated to the members of the Committee. (see footnote\* below)

Members commented that greater publicity should be given concerning PCC providing apprenticeships.

Members commented that this was a useful and positive report.

**RESOLVED that the committee**

- (1) notes the continued success of the Apprenticeship Programme within PCC; and**
- (2) maintains support for the programme.**

**45 Date of Next Employment Committee Meeting (AI 8)**

The date of the next scheduled meeting of the committee is 3 December 2013.

The meeting ended at 12.50 pm.

Chair

\*The following information was provided following the meeting.

**Retention - how many of our apprentices are still working for the Council?**

The answer is 11. A full breakdown of the figures up to September 2013 are:

Number of Apprentices	= 44
Total completed	= 14 (of those 11 still working for council)
Total still in training	= 23
Total left before completion	= 7 (of those 2 still working for council)



Agenda item:

**Decision maker:** Employment Committee  
**Subject:** Localism Act - Pay Policy Statement  
**Date of decision:** 10<sup>th</sup> March 2014  
**Report by:** Jon Bell - Head of HR, Legal and Performance  
**Wards affected:** n/a  
**Key decision (over £250k):** n/a

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## 1. Purpose of report

The Council is required by section 38(1) of the Localism Act 2011 (openness and accountability in local pay) to prepare a Pay Policy Statement.

A Pay Policy Statement must articulate the Council's policies towards a range of issues relating to the pay of its workforce, particularly it's senior staff, Chief Officers and its lowest paid employees.

A Pay Policy Statement must be prepared for each financial year, approved by Full Council no later than 31<sup>st</sup> March of each financial year and published on the council's website.

## 2. Recommendations

The Employment Committee is asked to:

- 2.1 Approve the draft Pay Policy Statement attached as **Appendix 1** to go forward for approval by the Full Council on 18<sup>th</sup> March 2014.

## 3. Background

3.1 Increased transparency about how taxpayers money is used, including the pay and reward of public sector staff is now a legislative requirement under section 38(1) of the Localism Act 2011. The Secretary of State published the Code of Recommended Practice for Local Authorities on Data Transparency on 29 September 2011. The code enshrines the principles of transparency and asks relevant authorities to follow these three principles when publishing the data they hold. These are as follows:

- Responding to public demand
- Releasing data in open format available for re-use; and
- Releasing data in a timely way

This includes data on senior salaries and how they relate to the rest of the workforce.

3.2 The Council must have regard to the Secretary of State guidance "Openness and accountability in local pay: Draft guidance under section 40 of the Localism Act". It is now essential that an authority's approach to pay, as set out in a Pay Policy Statement, is accessible for citizens and enables taxpayers to take an informed view of whether

local decisions on all aspects of remuneration are fair and make the best use of public funds.

Approved statements must be published on the authority's website and in any other manner that the authority thinks appropriate, as soon as reasonably practical after they have been approved by Full Council.

3.3 The Act also requires that authorities include in their pay policy statement, their approach to the publication of and access to information relating to the remuneration of chief officers. Remuneration includes salary, expenses, bonuses, performance related pay as well as severance payments.

3.4 The definition of a chief officer as set out in the Act is not limited to Heads of Paid Service or statutory chief officers. It also includes those who report directly to them.

3.5 The draft Portsmouth Pay Policy statement is attached as **Appendix 1**.

#### **4. Conclusions**

The Council is required by the Localism Act 2011, section 38(1) to publish a Pay Policy Statement on a yearly basis which is approved by Full Council.

#### **5. Equality Impact Assessment (EIA)**

An equality impact assessment is not required as the recommendation doesn't have a negative impact on any of the protected characteristics as described in the Equality Act 2010.

#### **6. Legal Implications**

6.1 The Head of HR, Legal and Performance is satisfied the Pay Policy Statement at Appendix 1 meets the legislative requirements under section 38 Pay Accountability, of the Localism Act 2011.

6.2 The Council is required to prepare a Pay Policy Statement for the financial year 2014/15 and each subsequent year, which sets out the policies, remuneration and other benefits of its chief officers, lowest paid employees and the relationship between its chief officers and every other officer.

6.3 The Pay Policy Statement must be approved by Full Council before 31<sup>st</sup> March 2014 and can only be amended thereafter by a resolution to Full Council, under s.39 (1) & (4).

#### **7. Finance Comments**

There are no financial implications arising from the recommendations contained within this report.

.....  
Signed by: Jon Bell - Head of HR, Legal & Performance

February 2014

**Appendices: Pay Policy Statement**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>

The recommendation(s) set out above were approved/ approved as amended/ deferred/  
rejected by ..... on .....

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## **PAY POLICY STATEMENT FOR THE FINANCIAL YEAR 2014/15**

Approved by Full Council on 18<sup>th</sup> March 2014

### **INTRODUCTION**

This policy statement has been produced in accordance with Sections 38 to 43 of the Localism Act 2011 (the Act).

The pay policy statement will be reviewed on an annual basis, and a new version of the policy will be approved before the start of each subsequent financial year, which will need to be complied with during that year.

### **SECTION 1: REMUNERATION OF STATUTORY AND NON-STATUTORY CHIEF OFFICERS, DEPUTY CHIEF OFFICERS, AND MONITORING OFFICER**

#### **1.1 REMUNERATION COVERED IN THIS SECTION OF THE POLICY**

This section covers the Council's policies in relation to the remuneration of its senior employees, including:

- Its Chief Executive (who is its Head of Paid Service);
- The Strategic Directors, who report to and are directly accountable to the Chief Executive. These Strategic Directors fulfil the roles of statutory Chief Officers (with the exception of the Council's Section 151 Officer), non-statutory Chief Officers and Monitoring Officer;
- The Port Manager;
- The Council's Section 151 Officer, who is also a Head of Service;
- The Heads of Service who report to and are directly accountable to first tier officers; and
- The managers who report to and are directly accountable to the Port Manager.

#### **1.2 OVERALL POLICY ON REMUNERATION FOR SENIOR ROLES**

The Council's remuneration policy complies with all equal pay, discrimination and other relevant legislation.

The Council's Job Evaluation Support Scheme (JESS) is used when setting pay levels for all posts within the Council. This system is a factor-based analytical job evaluation scheme designed to measure the relative responsibilities of all jobs fairly and accurately.

#### **1.3 THE REMUNERATION OFFERED TO SENIOR EMPLOYEE**

At Chief Executive, Strategic Director, Section 151 Officer and Head of Service level (and for the Port Manager and his direct reports), the Council offers only an annual salary, access to the Local Government Pension Scheme, and the payment of a small number of allowances, details of which are set out below. No other cash benefits or benefits in kind are offered. The Council does not offer performance related payments or bonuses to its senior employees.

All are employed on PAYE taxation arrangements. However in exceptional circumstances e.g. interim appointments, an alternative form of engagement/employment may if appropriate be used.

### **Annual salaries**

Annual salary levels for senior employees are set in accordance with the overall principles set out in section 1.4, above. At Chief Executive, Strategic Director and Head of Service level, they consist of a grade range which is determined locally by the Council. This grade range consists of a number of incremental salary points, through which employees may progress until the top of the grade is reached.

The current pay ranges are:

Chief Executive	£134,705 to £148,885
Strategic Director	£99,007 to £109,430
Port Manager	£99,007 to £109,430
Section 151 Officer	£84,863 to £93,799
Head of Service (upper band)	£84,836 to £93,799
Head of Service (middle band)	£72,740 to £80,398
Head of Service (lower band)	£66,110 to £72,581
Senior Managers	£66,110 to £72,581

### **Remuneration of senior employees on recruitment**

The Council's policy is that any newly appointed senior employee will commence employment at the lowest pay point in the pay range for their job, other than in circumstances where it is necessary to pay at a higher point within the range in order to match the salary of their previous post with another organisation. Any decision to appoint a senior employee on a higher pay point within the relevant pay range would be made by the Members Appointment Committee.

### **Pay progression**

Pay progression is by annual increment, payable from 1<sup>st</sup> April. Pay progression is based on the period of time the employee has served in that grade, subject to satisfactory performance.

There is no scope for accelerated progression beyond one increment per annum, or for progression beyond the top of the grade's pay range.

### **Pay awards**

The salaries of senior employees will be increased in line with any pay increase agreed nationally in the Joint National Councils (JNCs) for Chief Executives and Chief Officers, as appropriate for the category of senior manager.

### **Bonuses**

The Council does not pay bonuses to any of its employees.

### **Other Allowances and Payments**

Other payments and allowances that the Chief Officers may be eligible for are detailed in Section 4 – **POLICIES COMMON TO ALL EMPLOYEES**. This includes Market Supplements, Local Government Pension Scheme (LGPS), Payments on Termination of Employment, Allowances.

### **Election fees**

Senior Managers above Head of Service level salaries are inclusive and election fees are not paid.

Where a Head of Service acts as the Deputy Returning Officer the appropriate fee at that time is paid.

## **SECTION 2: REMUNERATION OF LOWEST PAID EMPLOYEES**

### **2.1 DEFINITION OF LOWEST PAID EMPLOYEES**

The definition of the “lowest-paid employees” adopted by the Council for the purposes of this statement is as follows:

The lowest paid employees within the Council are those employees who are paid on the minimum salary point of the Council’s substantive pay structure, i.e. spinal column point 1, within Band 1 of its salary scales.

The Council has had regard to guidance issued by the Local Government Association and JNC for Local Authority Chief Executives in agreeing this definition.

The current annual full-time equivalent value of this pay level, based on a 37-hour standard working week, for the financial year 2014/15 is £12,614.

The current pay range for the lowest paid employees, as defined, is £12,614 to £13,416.

## **SECTION 3: PAY RELATIONSHIPS**

Under the provisions of the Code of Recommended Practice for Local Authorities on Data Transparency, issued by the Department for Communities and Local Government under Section 2 of the Local Government Planning and Land Act 1980, the Council is expected to publish its “pay multiple”, i.e. the ratio between the highest paid salary and the median salary of the whole of the local authority’s workforce. This multiple, for the financial year ending 31 March 2014 was 7.0.

(The median salary figure is the salary value at which 50% of the salaries which apply to the whole of the local authority’s workforce are below that value and 50% are above it. The lowest pay point in the overall salary range which has been used by the Council in calculating the median salary is that which applies to its lowest paid employees, as defined in section 2 of this pay policy statement.)

The Council considers that the current pay multiple, as identified above, represents an appropriate, fair and equitable internal pay relationship between the highest salary and the pay levels which apply to the rest of the workforce. It will therefore seek to ensure that, as far as possible, the multiple remains at its current level.

The Council also considers that the relationship between the base salaries of its highest and lowest paid employees, which is currently a ratio of 12:1, represents an appropriate, fair and equitable internal pay relationship.

## **SECTION 4: POLICIES COMMON TO ALL EMPLOYEES**

The following elements of remuneration are determined by corporate policies or arrangements which apply to all permanent employees of the Council (including its Chief Executive, Strategic Director and Heads of Service and the lowest paid employees as defined above), regardless of their pay level, status or grading within the Council:

### **Market Supplements**

A Market Supplement payment may be made if there is a clear business need, supported by effective market data, where a post is difficult to recruit to or to retain key members of staff, in addition to the normal reward package.

The supplement payment will be made in strict accordance with the Recruitment and Retention Policy and will be reviewed bi-annually. The full Recruitment and Retention Policy will be provided on request.

### **Payments on Termination of Employment**

Other than payments made under the LGPS, the Council's payments to any employee whose employment is terminated on grounds of redundancy or in the interests of the efficiency of the service will be in accordance with the policy the Council has adopted for all its employees in relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. This policy (Early Termination of Employment Payments) has been published in accordance with the requirements of Regulation 7 of these regulations and is available on request.

### **Reimbursement of removal/relocation costs on appointment**

The Council's relocation scheme is to enable financial assistance (within pre-defined limits) to be given to any employee who is required to relocate to the Portsmouth area to take up an appointment in a post deemed 'hard to fill' by the appropriate Head of Service. Full details of the policy can be provided on request.

### **Honoraria**

The Council pays honoraria to any employee only in accordance with its corporate scheme for such payments. This scheme provides that honoraria payments may be made to any employee who undertakes exceptional additional duties unrelated to those of a higher post, for example a special project. Such payments must be approved by a Head of Service and will not normally exceed £999 per annum. The Council does not normally pay honoraria for posts graded above Head of Service level.

### **Acting-up/additional responsibility payments**

Where employees are required to "act-up" into a higher-graded post and take on additional responsibilities beyond those of their substantive post, for a temporary/time-limited period (which must exceed 4 weeks), they may receive an additional payment in accordance with the terms of the Council's policy. The payment will be based on the percentage of the higher duties and responsibilities undertaken and on the salary that would apply were the employee promoted to the higher post. (i.e. the lowest spinal column point of the higher grade).

### **Standby and call out allowances**

Any employee who is required to undertake standby and call-out duties will be paid at the appropriate rate and in accordance with the policy. A full copy of the policy can be provided on request.

### **Mileage rates**

The Council compensates employees who are authorised to use their own car, motorcycle or bicycle on Council business, in accordance with the mileage rates set out by HMRC.

### **Subsistence allowance**

The Council reimburses expenditure on meals and accommodation and any other expenses necessarily incurred by employees who have to be away from home on Council business on the basis of actual expenditure incurred. These allowance rates are set out by HMRC.

### **Child care (salary sacrifice scheme)**

Childcare is available to all employees via the HMRC-approved salary sacrifice scheme. There is no direct subsidy towards childcare costs by the Council.

## **SECTION 5: DECISION MAKING ON PAY**

The provisions of this pay policy statement will apply to any determination made by the Council in the relevant financial year in relation to the remuneration, or other terms and conditions, of a chief officer of the Authority and of its lowest paid employees, as defined in



this statement, The Council will ensure that the provisions of this pay policy statement are properly applied and fully complied with in making any such determination.

This pay policy statement has been approved by the Full Council of the Authority on 18<sup>th</sup> March 2014.

Any proposal to offer a new chief officer appointment on terms and conditions which include a total remuneration package of £100,000 or more, which would routinely be payable to the appointee and any benefits in kind to which the officer would be entitled as a result of their employment (but excluding employer's pension contributions), will be referred to the Full Council for approval before any such offer is made to a particular candidate.

Additionally, any severance payments over £100,000 be referred to Full Council for approval.

## **SECTION 6: AMENDMENTS TO THIS PAY POLICY STATEMENT**

This pay policy statement relates to the financial year 2014/15.

The Council may agree any amendments to this pay policy statement during the financial year to which it relates, but only by a resolution of the full Council.

A new policy statement will be agreed by the Council in March 2015 for the financial year 2015/16.

## **SECTION 7: PUBLICATION OF AND ACCESS TO INFORMATION**

The Council will publish this pay policy statement on its website as soon as is reasonably practicable after it has been approved by the Council. Any subsequent amendments to this pay policy statement made during the financial year to which it relates will also be similarly published.

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# Agenda Item 5



Portsmouth  
CITY COUNCIL

Agenda item:

**Title of meeting:** Employment Committee  
**Date of meeting:** 10<sup>th</sup> March 2014  
**Subject:** Sickness Absence - Quarterly Report  
**Report by:** Jon Bell - Head of HR, Legal & Performance  
**Wards affected:** N/A  
**Key decision:** No  
**Full Council decision:** No

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## 1. Purpose of report

The purpose of this quarterly report is to update and inform Employment Committee on actions being taken that have a positive effect on the levels of sickness absence across Services.

## 2. Recommendations

- To continue to monitor sickness absence, on a quarterly basis, and to ensure appropriate management action is taken to address absenteeism.

## 3. Background

- 3.1** In the period from 01 May 2013 to 31 January 2014 the level of sickness absence has decreased from 9.94 to 8.65 average days per person per year. This is against a corporate target of an average 8 days per person per year.
- 3.2** Absence levels by Services for the period 31 January 2013 to 01 February 2014 compared to figures prepared in May 2013 are attached in Appendix 1.
- 3.3** There has been no change to the Managing Absence Policy.
- 3.4** Significant effort has been undertaken to improve the way sickness absence data is collated and reported. Encouraging correct input and the closure of open absence cases has increased the accuracy of source data. HR have introduced and been providing consistent sickness absence data from one source since April 2013.
- 3.5** There are five services that have been consistently above an average 8 days per employee; The Port, Children Social Care, Housing and Property Services, Adults Social care, Revenues and Benefits.

**3.6** Examples of support provided by HR on activities being implemented across Services in order to maximise attendance include:

- a) Developing new strategies with Head of Service to target areas of poor attendance
- b) Communicating with staff that the management of sickness absence is on the agenda
- c) Developing documents in relation to key stages for managers in relation to absence management, i.e. encouraging more focused conversations during return to work interviews
- d) Continuing to offer Managers workshops with HR regarding absence management. These workshops detail the support available and practical skills to manage attendance levels
- e) Encouraging Managers to analyse absence data monthly and identify trends across the service and providing managers with the information they need in order to support the process;
  - Number of occasions and reasons for absences
  - The reasons for absences in ranking order
  - The names of the teams in ranking order based on those with the most occasions of absence to the least
  - Whether any of the absences are related to capability/conduct or re-organisation
  - The average number of days absence for the rolling year for the Service compared to the whole of Council compared to the last quarter
- f) Managers have attended sessions with Occupational Health to understand the new offer and identify ways to work together effectively. Further training for managers regarding the referral process is to be arranged and supported by HR.
- g) HR has agreed to review the top 10 absence cases across Services and identify any learning and share this with senior management teams.

**3.7** General Action

Significant work around the development of a Well-Being strategy and collaborative working with Public Health will establish a more proactive approach to absence management should in the fullness of time see an improvement in sickness levels. A working group has already started this development work and will attempt to join up absence strategies and good practice being used across services.

**3.8** Flu vaccinations

During October and November 2013, Flu vaccinations were offered to all Portsmouth City Council Employees, either at Queen Alexander Hospital or through a voucher scheme. The cost of this initiative was funded by Public Health.

The uptake for the whole council was just over 11%, including schools. It is likely that others received a vaccination through another route, i.e. own GP.

**3.9 Health Checks**

Working jointly with Public Health, 100 Health Checks will be offered to staff and are due to be conducted in March/April 2014. These checks have initially been offered to staff in The Port, Housing and Property Services, Adults Social Care, Revenues and Benefits.

**4. Reasons for recommendations**

The continued monitoring of sickness absence and the identification of good management practices is an important part of maximising attendance, which will in turn increase productivity, improve engagement and build resilience.

**5. Equality impact assessment (EIA)**

A preliminary Equality Impact Assessment has been completed. In general, the management of sickness absence works within the framework of the Equality Act 2010.

**6. Legal implications**

There are no immediate legal implications arising from this report.

**7. Finance comments**

There is no significant cashable saving resulting from the reduction in sickness absence. However there will be an improvement in productivity in terms of total days worked.

.....  
Signed by:

**Appendices:**

Appendix 1: Sickness Absence data

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/  
rejected by ..... on .....

.....  
Signed by:

## Appendix 1 Sickness Absence Data

### Absence Report; This report covers the period between 31/01/2013 to 01/02/2014.

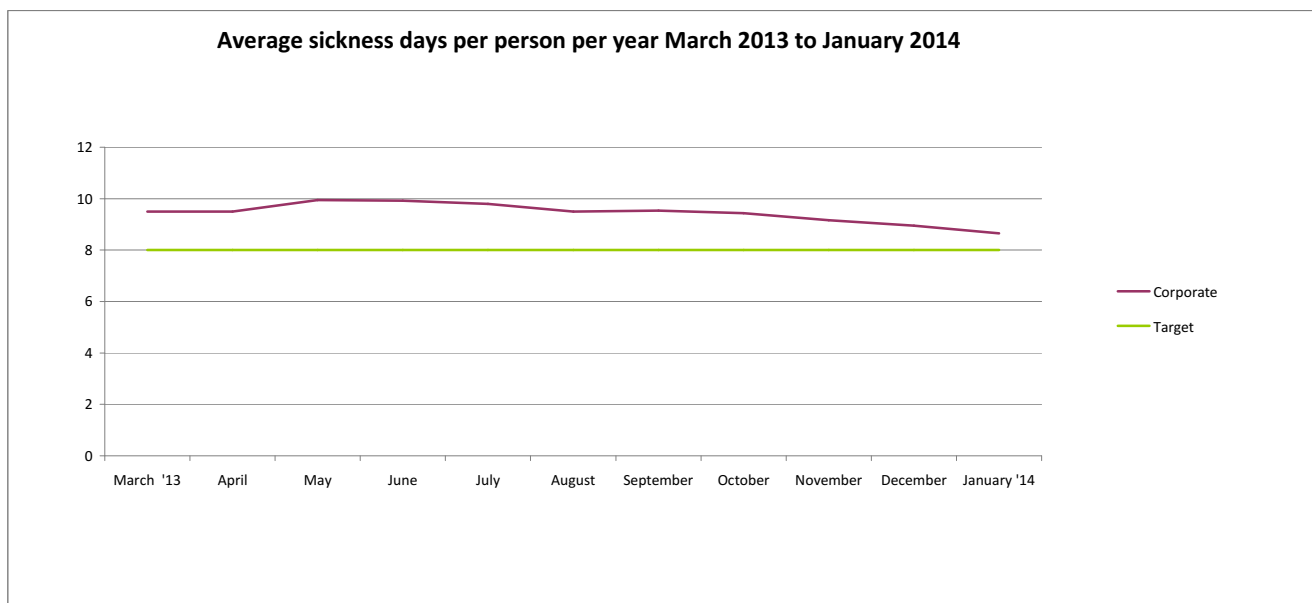
This information is obtained from the Oracle system. The returned data is filtered to exclude Casual Workers, Agency Workers and Members.  
(Long term absences are 21 days or longer, short term absences are 7 days and under)

### Absence Report Over Rolling Year by Service

Absence Report Over Rolling Year by Service												31/04/12 to 01/05/2013
Service	Headcount	Total		Average per person per year	Long Term	Medium Term		Short Term		Target	Average per person per year	
		Working Days Lost to Sickness	% Working Time Lost		Working Days Lost to Sickness	Working Days Lost to Sickness	Working Days Lost to Sickness	Working Days Lost to Sickness				
Chief Executive Service	19	17	0.39%	0.89	10	0.53	0	0	7	0.37	8	0.56
Adult Social Care	845	8056.86	5.13%	9.53	4921.42	5.82	1377.75	1.63	1757.69	2.08	8	11.82
Health, Safety and Licensing	145	1216.25	3.81%	8.39	704.7	4.86	135.46	0.93	376.09	2.59	8	7.80
Revenues and Benefits	148	1427.82	4.33%	9.65	676.02	4.57	188.26	1.27	563.54	3.81	8	12.49
Housing and Property Services	770	7845.43	4.62%	10.19	4857.75	6.31	1171.85	1.52	1815.83	2.36	8	10.98
Education and Strategic Commissioning	239	1277.2	2.74%	5.34	836.45	3.5	119.83	0.5	320.92	1.34	8	7.63
Children's Social Care and Safeguarding	361	4226.8	5.19%	11.71	2682.85	7.43	634.35	1.76	909.6	2.52	8	12.47
City Development and Cultural Services	228	1053.14	2.63%	4.62	517.43	2.27	111.33	0.49	424.38	1.86	8	6.68
Corporate Assets, Business and Standards	180	1486.72	3.82%	8.26	901.76	5.01	201.96	1.12	383	2.13	8	8.10
Transport and Environment	336	2424.12	4.20%	7.21	1635.2	4.87	308.1	0.92	480.81	1.43	8	7.90
Information Services	111	518.45	1.95%	4.67	247.5	2.23	73.51	0.66	197.44	1.78	8	9.12
Finance	182	1353.93	3.44%	7.44	846.18	4.65	154.16	0.85	353.59	1.94	8	7.04
HR, Legal and Performance	147	889.06	2.60%	6.05	496.24	3.38	148.07	1.01	244.74	1.66	8	7.12
Customer, Community and Democratic Services	129	970.07	3.39%	7.52	662	5.13	121.04	0.94	187.04	1.45	8	8.32
Schools	4198	21582.71	3.51%	5.14	10751.25	2.56	2915.51	0.69	7915.96	1.89	8	5.49
Port	89	1212.09	5.46%	13.62	933.2	10.49	81.66	0.92	197.23	2.22	8	15.64
Integrated Commissioning Unit	30	64.57	0.96%	2.15	0	0	15	0.5	49.57	1.65	8	0
<b>Total</b>	8127	55557.67	3.57%	6.84	31679.96	3.9	7742.84	0.95	16134.87	1.99	8	7.57
PCC (Ex Schools)	3929	33974.96	4.18%	8.65	20928.71	5.33	4827.33	1.23	8218.91	2.09	8	9.94

The table above shows the average number of sickness days per person per year. This is calculated by dividing the total number of sick days in the

Key      Exceeds Target Value.  
     Meets Target Value.



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# Agenda Item 6



Portsmouth  
CITY COUNCIL

<b>Title of meeting:</b>	Employment Committee
<b>Date of meeting:</b>	10 <sup>th</sup> March 2014
<b>Subject:</b>	Living Wage for Portsmouth
<b>Report by:</b>	Head of HR Legal and Performance (written by Gemma Limburn, Assistant Head of HR - Strategy)
<b>Wards affected:</b>	N/A
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## 1. Purpose of report

For the Employment Committee to consider how to implement the Living Wage for PCC employees and decide upon an agreed timescale.

## 2. Recommendations

**It is recommended that Employment Committee agree**

- 1) a separate discretionary supplement/allowance to be paid as an addition to basic pay to achieve the Living Wage at £7.65 an hour for all those staff currently below SCP 11 (at this stage, excluding agency and casual staff, and those employed in schools).**
- 2) An annual review of the continued payment of the supplement to staff in line with annual increases in the Living Wage**
- 3) The Initial implementation and launch of the Living Wage prior to the Living Wage week in November 2014.**
- 4) That discussions should continue with PCC schools to encourage their implementation of the Living Wage.**
- 5) That further consideration be given to the implications of implementing the Living Wage for agency and casual staff**
- 6) That the Living Wage is to be applied only to hours worked at base rate of pay and not to hours with any enhancement or additional allowances.**

## 3. Background

3.1 The full background to the reasons for implementation and commitment to be a Living Wage Employer are set out in Appendix 1.

3.2 Sign up to the Living Wage will impact on the future commitment to uplifting pay in line with increases to the Living Wage. The result of which may impact on the following;

- The design of jobs - a review would need to take place and duties designed at a higher rate if the new pay was consolidated and bandings changed.
- The grading structure - there is a significant risk that increasing consolidated pay particularly in schools will start to erode the differential between those on the lowest point and the staff on the next points above them, who in some cases may be their supervisor. This will certainly be an issue in schools and will have a knock on effect on the overall pay structures. Additionally if the Living Wage continues to increase at its current rate and small or no pay awards are being made then this will increase the number of staff eligible for Living Wage in the future.

3.3 To lift the whole grade structures sufficiently high enough to lift bands 1-3 above the living wage would be prohibitively expensive hence the recommendation for an unconsolidated payment.

3.4 Implementation in autumn 2014 will allow sufficient time for negotiations with Trades Unions to take place and for further discussions with schools.

3.5 An annual review will allow the council to respond to any changes in the Living Wage amount or changes to the Living Wage as a concept as well as allowing the authority to respond to efficiency pressures and will ensure that the integrity and transparency of the pay structure is not compromised. It will also allow any necessary adjustments to be made to the supplement.

#### **4. Other issues for consideration**

4.1 Schools - The Assistant Head of HR Strategy attended the Schools Executive chaired by the Head of Education (interim) on the 8<sup>th</sup> January 2014 and presented a paper on the Living Wage. The group were positive about the concept of the Living Wage and believed that there were opportunities to fund this. They have requested that HR model some financial examples to be taken back to the same meeting when it next meets on the 5<sup>th</sup> March.

4.2 Contractors - whilst not applying for accreditation PCC may wish to consider procurement practice stating that contractors and their subcontractors providing a service on the council's behalf should pay their employees the Living Wage and also meet any annual increases in the Living Wage Rate. The Living Wage is only permitted to the extent permitted by Law and not where it might be a barrier to potential suppliers. It is proposed that the council's Responsible Procurement Policy be reviewed to ensure that procuring managers promote adoption of the Living Wage where possible having regard to legal and economic factors.

4.3 Agency Staff - the council employs a large number of temporary agency staff, both through its own internal employment agency and from a wide variety of high street

and specialist agencies. A review is currently underway to improve the management and hiring arrangements for agency staff. The implications of implementing the Living Wage for agency staff require further analysis, in terms of cost, management and commercial viability. It is proposed that a further report is brought to this committee once this analysis has been completed.

## **5. Reasons for recommendations**

Members committed, when agreeing the budget for 2014/15, to the Council becoming a Living Wage Employer and recommendations for its implementation have been made based upon the implementation of this commitment to this whilst minimising the impact on efficiencies that continue to be required.

## **6. Equality impact assessment (EIA)**

EIA concerns around the Living Wage itself centre around equal pay and this is set out in the Legal Implications below. However it is worth noting that if all PCC employees below the Living Wage are uplifted then 89 % of those benefiting would be female. If schools are not included it is approximately 60 % benefiting that are female.

## **7. Legal implications**

Exempt (see Exempt Appendix 2)

## **8. Finance comments**

The estimated costs to raise all PCC (non-school) employees to the Living Wage is £38,500 in a full year (£16,000 in a part year if implemented in November). For schools the full year cost would be approximately £259,500 in a full year (£108,100 in a part year).

These costs exclude casual and agency staff as they do not have set contracted hours however on average the increase to employ these staff when the Living Wage is implemented would be 16.7% and 3.9% respectively

On the basis that this is paid as a supplement/allowance the financial implications would be as follows;

- The council will need to commit to an on-going uplift of salaries in line with any changes to the national rate which at present is projected to be 2% higher than the city council pay award however this would not be a significant pressure on budgets after the initial implementation.
- If the Living Wage continues to increase higher than the National Wage increase then it is possible this could affect the pay structure further in the future where staff on spinal point 11 drop below the living wage and need to be moved to the next Spinal Column Point.

- Any increase in costs will need to be funding from existing approved budgets. In respect of schools if the increase was agreed the additional costs would have to be met from their existing annual budget allocations.

The type of staff the increase would be applicable to are Domestic Assistants, Cleaners, Food Preparation Assistants, Porters/Caretakers, Drivers, Gardeners, Passenger Assistants and Play Workers. In schools many are lunchtime staff and LSA's.

.....  
Signed by:

Jon Bell, Head of HR Legal & Performance

February 2014

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

## Appendix 1 Background to the Living Wage

- 1.1 The Living Wage is an hourly rate of pay which is set independently from the minimum wage, and is updated annually. It is calculated annually by the Centre for Research in Social Policy at Loughborough University and from Monday 4<sup>th</sup> November 2013 the Living Wage has been calculated at £7.65 per hour (outside of London). It is higher than the minimum wage, which is £6.31 for those aged 21 and over. It is a voluntary scheme for employers.
- 1.2 The Living Wage was created to give the minimum pay rate required for a worker to provide their family with the "essentials of life". The information used to develop this rate is gathered via focus groups who agree a 'basket of goods' for a range of household sizes and age, to achieve a minimum acceptable standard of living in the UK. The cost of the basket of goods is updated annually so that the Living Wage calculation is relevant, up-to-date and based on public opinion.
- 1.3 The Living Wage does not replace in-work benefits – it assumes full take-up of Child Benefit, Tax Credits, Housing Benefit and Council Tax Support and Disability Benefits.
- 1.4 A Living Wage was first introduced in London in 2003 following a campaign by London Citizens, who found that even though they were working two minimum wage jobs, they were struggling to make ends meet; and working long hours meant there was little time for family and community life. Their solution was to call for a Living Wage.
- 1.5 The Living Wage then began its journey in the early days through hospitals such as Bart's and the Royal London, where London Citizens made the case that low pay can lead to poor health and hospital bosses agreed. They then took the Living Wage to Canary Wharf and as a result, KPMG became one of the first private sector employers to pay the Living Wage, first to cleaners and then to all contracted staff.
- 1.6 There are currently 432 accredited Living Wage employers in the UK. Accreditation is undertaken by the Living Wage Foundation, a charity which was formed in 2011 through the work of campaigners and employers, and which is an initiative of Citizens UK. The Living Wage Foundation works with employers to help them implement the Living Wage. Those who receive accreditation are awarded with the Living Wage Employer mark. There is an annual fee for accreditation - which is approximately £400 for public sector organisations (depending on size).
- 1.7 Despite the above, it would be fair to say that it is still early days in terms of the evidence base regarding the Living Wage. It would also be true to say that one of the main financial beneficiaries of the Living Wage - as a result of reduced take up of benefits - is the Treasury, which is estimated to see significant financial gains. (With the recent approval of the City Deal, there may be opportunities, as part of any ongoing negotiations for Treasury savings to be re-invested in Portsmouth?). However there are wider gains to be had - for example not just the business benefits listed above but the wider benefits that would be brought to the local economy as well as raising aspirations and placing a sense of value upon low paid workers in the city.

- 1.8 Taking account of all of the above, The Living Wage Foundation believes that the strongest argument for introducing the Living Wage is the moral one - in that it is the right thing to do, and demonstrates ethical employment practice. Given that resident wages are below average in Portsmouth and that elementary occupations account for 11% of the workforce, the Living Wage would clearly benefit lower paid workers in the city. This would in turn contribute to the city's Tackling Poverty Strategy, which aims to alleviate poverty and break the cycle of deprivation which is evident in the city's poorer communities. With about a quarter of all children in the city classified as living in poverty (rising to as high as 60.9% in one LSOA (within Charles Dickens Ward), paying the Living Wage can contribute significantly to breaking cultures of dependency through earning a decent 'stand-alone' wage, rather than being paid poor wages and having to claim top up benefits and thus have the stigma and dependency associated with this.
- 1.9 A number of Local Authorities and other public sector organisations are now becoming Living Wage employers. Currently, employers who agree to pay the Living wage are seen as quite progressive; but with the numbers starting to come on board, there may be a tipping point which comes shortly, where within the public sector, employers who are not paying the Living Wage are seen as unethical employers. 25 % of all councils will have applied the living wage by the end of this year (78 councils) although only 22 have applied this to contracts. In the South East 3200 employees (5%) are on less than the Living Wage. Surveys on participation are on-going.