



NOTICE OF MEETING

EMPLOYMENT COMMITTEE

TUESDAY, 4 NOVEMBER 2014 AT 12.15 PM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

Telephone enquiries to Vicki Plytas 02392 834058

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Membership

Councillor Donna Jones (Chair)
Councillor Luke Stubbs (Vice-Chair)
Councillor John Ferrett
Councillor Darren Sanders
Councillor Lynne Stagg
Councillor Gerald Vernon-Jackson

Standing Deputies

Councillor David Fuller
Councillor Hugh Mason
Councillor Linda Symes
Councillor Rob Wood

(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

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 (Pages 1 - 6)

RECOMMENDED that the Minutes of the meeting of the Employment Committee held on 16 September 2014 be confirmed and signed by the Chair as a correct record.

4 Sickness Absence Report (Pages 7 - 8)

(Heads of Service from those services where the average per person per year sickness absence level was higher than eight days per year in August 2014 have been invited to attend the meeting.)

The purpose of this report is to update and inform Employment Committee on actions being taken by Services to deliver a reduction in the levels of sickness absence.

RECOMMENDED that the Committee continues to support the implementation of good sickness absence management practices, and to ensure the appropriate management action is taken to consistently reduce absenteeism across Services.

5 Senior Management Structure (Pages 9 - 28)

The purpose of the report is to advise Members of potential changes to senior (head of service and strategic director level) management structure of the Council in light of the reduction in the budget and changes to the council's operating environment.

RECOMMENDED that

- (1) Members consider the proposed reductions to the senior management structure as the basis for consultation with staff and unions**
- (2) Members agree the wider consultation arrangements as the basis for drawing attention of all staff through existing internal communications channels.**

6 Health and Safety Annual Report: 1/04/2013 - 31/03/2014 (Pages 29 - 38)

The purpose of the report is to update the Employment Committee on Portsmouth City Council's (PCC) health and safety (H&S) performance for the period 1 April 2013 - 31 March 2014.

RECOMMENDED that the 2014/15 H&S action plan be agreed and endorsed by the Employment Committee.

7 Discretionary Pension Policy Statement Review (Pages 39 - 44)

At the Employment Committee meeting on Tuesday, 17 June 2014 approval was given to the Portsmouth City Council Discretionary Pension Policy Statement. A number of minor changes to the policy are now required and this report seeks approval for these changes to be made.

RECOMMENDED that Employment Committee approves the discretionary pension policy statement set out in appendix 1 of this report with effect from 1 April 2014.

8 Shared Parental Leave and Pay (Pages 45 - 50)

The purpose of the report is to appraise members of statutory changes affecting leave entitlements for parents and establish a rate of pay for shared parental leave.

RECOMMENDED that Employment Committee

- (1) Notes statutory changes to leave entitlements for parents**
- (2) Pays the statutory rate of pay during shared parental leave**
- (3) Requests the Head of HR, Legal and Performance to actively review the policy in light of demand for leave and emerging employment practice and report back to members if changes are required in light of experience.**

9 Apprenticeships Follow-up Report (Pages 51 - 64)

The purpose of the report is to update members of the Employment Committee on the actions requested of officers at the Employment Committee held on 16th September 2014.

RECOMMENDED that Members

- (1) Note the positive progress to date in promoting apprenticeships within the Council as detailed in Appendix 1**
- (2) Note the research that has been completed and the outcomes identified**
- (3) Agree the following recommendations for work to increase apprenticeship opportunities within the City Council**
 - a. Set an Apprenticeship rate for the City Council at the National Minimum Wage rate for 18-20 year olds which is currently £5.13 per hour (£9,870.12 per annum excluding employment on-costs).**
 - b. Continue to identify staff in post who could convert to an Apprenticeship to enable access to a qualification.**
 - c. Work with services with high agency costs to identify any possible apprenticeship opportunities.**
 - d. Work with services to identify external funding opportunities to create supernumerary apprenticeship posts.**
 - e. HR officers to develop internal marketing and case studies to support apprenticeship recruitment.**

10 Living Wage (Pages 65 - 72)

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

The purpose of this report is to appraise members of issues and risks associated with implementing the Living Wage and, subject to these, to seek members' approval to implement the Living Wage.

RECOMMENDED that the Employment Committee

- (1) agree to implement the Living Wage as decided at Employment Committee in March 2014 with effect from 1 November 2014;**
- (2) pay the Living Wage as a non-consolidated one-off payment in March 2015 for the initial launch and thereafter as a monthly non-consolidated payment (subject to recommendation (3) below);**
- (3) undertake an annual review of the Living Wage payment following the annual rate review by the Living Wage Foundation;**
- (4) note the Legal Advice in Exempt Appendix A and the risks detailed in this advice;**
- (5) request the Head of HR Legal & Performance and the Head of Finance to draw up detailed criteria for applying the Living Wage payment where, for example, staff members start, leave or change jobs during the year, or who hold multiple jobs with the council, or who have transferred to the council from other organisations under TUPE rules;**
- (6) instruct Officers to continue working with schools to ensure that, as far as possible, the Living Wage is also implemented in schools at the earliest possible opportunity.**

11 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.)

Item

Exemption Para No.*

10 (exempt appendix)

Paragraph Exemption Nos:

3, 4 and 5

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.

12 Date of Next Meeting

The date of the next scheduled meeting is 6 January 2015.

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.

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Agenda Item 3

EMPLOYMENT COMMITTEE

MINUTES OF THE MEETING of the Employment Committee held on Tuesday 16 September 2014 at 12.15 pm in the Executive Meeting Room, third floor, 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.)

Present

Councillor Donna Jones (Chair)
Councillor Luke Stubbs (Vice-Chair)
Councillor Darren Sanders
Councillor Hugh Mason (deputising for Councillor Lynne Stagg)
Councillor Gerald Vernon-Jackson
Councillor John Ferrett

Officers Present

David Williams, Chief Executive
Michael Lawther, City Solicitor
Jon Bell, Head of HR, Legal & Performance
Roland Bryant, HR

17 Apologies for Absence

Apologies for absence were received from Councillor Lynne Stagg. Councillor Hugh Mason deputised for her.

18 Declarations of Members' Interests

There were no declarations of members' interests.

19 Minutes of the Meeting held on 17 June 2014

RESOLVED that the minutes of the meeting of the Employment Committee held on 17 June 2014 be confirmed and signed by the chair as a correct record.

20 Senior Management Structure

(TAKE IN REPORT)

The Chief Executive introduced the report and explained that its purpose was to seek members' approval to conduct a review of the council's senior management structure. He explained that the environment in which the council operates continues to change rapidly and although the last review of the structure took place relatively recently in 2012, the need to identify financial savings is intensifying. He said it is important for the senior management structure to reflect the council's current and future priorities and said that it was right in the current climate that reductions in the cost of senior

management are sought. He said that it was his intention to bring a paper back to the November meeting of Employment Committee on this matter.

During discussion the following matters were clarified:

- The Chief Executive confirmed that the financial savings target outlined in the November 2013 budget would be addressed in this paper.
- Jon Bell confirmed that the consultation periods mentioned in the report were the statutory minimum and that these were not always rigidly adhered to and could be longer.

RESOLVED

- (1) **that members welcome the reductions in senior management that have already taken place prior to this paper;**
- (2) **to ask the Chief Executive to carry out a review of the council's senior management structure and report back to a future meeting with options for a new structure and a timetable for implementation**

21 Sickness Absence Quarterly Report

(TAKE IN REPORT)

Jon Bell introduced the report and said that the last few reports coming to this committee had shown a general decrease in sickness absence levels. However, in the period from 1 September 2013 to 31 August 2014, the level of sickness absence had increased from 8.26 to 8.97 average days per person per year. This is against a corporate target of an average eight days per person per year.

With regard to the Port, he said that the sickness levels were starting to reduce but agreed during discussion at the meeting that these were unlikely to reach the target of 9.4 average days by November 2014.

During discussion the following matters were raised:

- Members felt that the rise in sickness absence levels was disappointing.
- Jon Bell said that it was difficult to pinpoint specific reasons for increases in absence but that organisational change such as that taking place in Adult Social Care often impacted on sickness absence.
- Members felt that the increase had been quite large and wanted reports to be able to track trends as the increase this time could have been owing to a very high level of sickness in the timescale covered by this report or a very low level of sickness absence in the timescale covered by the last report.
- Members felt that the introduction of the offer of flu jabs was very worthwhile.
- Jon Bell said that he would circulate a revised Appendix 1 to members as there was an error in the original version.

Members of the committee decided that it would be useful for all heads of service where sickness absence levels were high to be asked to attend the 4 November meeting of this committee to provide a five minute update explaining the reasons for sickness absence in their service. The heads of service concerned are the Head of Adult Social Care, the Head of Children's Social Care & Safeguarding, the Head of Corporate Assets, Business & Standards, the Head of Housing & Property Services, the Port Director and the Head of Revenues & Benefits .

Members noted that Gemma Limburn had now left the organisation and recorded their thanks to her for her work for this committee.

RESOLVED

- (1) That Members continue to monitor sickness absence on a quarterly basis and to ensure appropriate management action is taken to address absenteeism; and**
- (2) That the heads of those services where the average per person per year sickness absence is shown on the appendix as being higher than eight days per year be asked to attend the next scheduled meeting of Employment Committee on 4 November 2014.**

22 Apprenticeships Progress Report

(TAKE IN REPORT)

Jon Bell introduced the report which was to update members of the Employment Committee on the progress of the action plan to recruit apprentices to the city council. He said that interest in apprenticeship opportunities within the city council had been strong with on average 50-100 applications per post. He said that following an initial sift of applications this usually resulted in 25-30 applicants being available to the manager to shortlist. He said that a target of 25 new apprenticeships per year had been proposed but that this had already been exceeded. He said that the number of apprenticeships that could be offered was dependent on the availability of vacancies, the nature of those vacancies and the costs of providing an appropriate qualification for them.

During discussion the following matters were raised:

- Members discussed whether or not the current target figure proposed of 25 new apprenticeships each year for the next four years should be increased and discussed the advantages and disadvantages of including an actual figure.
- Members were advised that officers were working on producing a framework for apprenticeship providers to PCC.
- At present there were no concerns about apprentices achieving their qualification from the Qualifications and Credit Framework (QCF).
- Jon Bell confirmed that those applicants unsuccessful after the initial sift (referred to in 4.2 of the report) were kept on the records of the training providers in case other opportunities arose for which they were

suitable.

- It was confirmed that those who got through the initial sift process but were unsuccessful for the particular post were also looked at to see whether they would be suitable for other posts should they arise.
- Jon Bell said that with regard to specific targets he would stress that there are a number of factors outside PCC's control which included the need for suitable opportunities to be available. He said he accepted the need to increase the target figure from 25 but that the main constraint on specific numbers is suitable opportunities occurring.

It was proposed by Councillor Darren Sanders and seconded by Councillor Luke Stubbs that the recommendations in the report be amended to delete everything after the words "next four years" and add new recommendations (iii) encourage officers to explore how PCC can increase the current target and (iv) ask officers to bring back a report to the Employment Committee meeting in November that shows how other councils are delivering a higher number of apprenticeships.

A vote was taken on whether to include in proposed recommendation (iii) a specific target figure of 50 apprenticeships per year. This was lost.

Upon being put to the vote the recommendations as outlined above (without reference to a specific target figure) were carried.

RESOLVED that members

- (i) Note the positive progress to date in promoting apprenticeships within the council;**
- (ii) Approve the current target to recruit 25 new apprentices each year for the next four years;**
- (iii) encourage officers to explore how PCC can increase the current target;**
- (iv) ask officers to bring back a report to the Employment Committee meeting in November that shows how other councils are delivering a higher number of apprenticeships.**

23 Verbal Update on the Living Wage

Mr Jon Bell provided a verbal update on progress following the agreement in principle to adopt the living wage already taken by this committee. He said that there were some significant risks associated with the introduction of the living wage especially in relation to whether or not schools decided to introduce it. Following dialogue with the schools, it was clear that there were differing views and no consensus on this matter. In any event, most schools would not introduce the living wage until at least the academic year beginning September 2015. Mr Bell said that when the schools had made decisions on this matter, he would bring a report back to this committee as soon as he was in a position to do so. He said it was also necessary in his view to take account of the financial implications as there were likely to be more staff subject to the living wage as time goes on which affects the affordability of the

scheme. In these circumstances, there may be a need to review the situation.

During discussion the following matters were raised:

- Councillors found it frustrating that PCC has no control over the decisions made by the schools but have liability in the event of any claims being made under equal pay.
- Members expressed concerns that a decision had been taken by Employment Committee to implement the living wage with effect from November 2014 but that this now seemed unlikely to happen.
- In response to questions, Jon Bell said that he had had extensive discussions with officers in Southampton but that the basic difference between Southampton and Portsmouth was their varying appetite for risk. He said that the situation in Southampton was not directly comparable as the living wage was being introduced as part of a general change to terms and conditions.
- Jon Bell said that he did not have updated figures at present and could not therefore advise members about the affordability of introducing the living wage at this time.

Michael Lawther said that the legal advice on this matter was around equal pay issues. Portsmouth City Council had a very good record on equal pay claims and his view was that introducing the living wage would involve PCC in financial risk. He said he would provide a note about this matter to members of the committee if that would be helpful and said that he would include information about potential levels of damages as he felt this would be useful for members to know.

Jon Bell said that some authorities had introduced the living wage without experiencing particular difficulties, but that these tended to be district councils that did not have responsibility for schools. He agreed to look into other comparable local authorities to see what their experiences were where they had introduced the living wage.

The chair said that although she did not oppose the introduction of the living wage there was a need to know the level of risk that would be involved if this was taken forward.

24 Date of Next Meeting

The next meeting is scheduled for 4 November 2014.

The meeting concluded at 1.20 pm.

Chair

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Agenda Item 4



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Employment Committee

Date of meeting: 04th November 2014

Subject: Sickness Absence

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

Wards affected: N/A

Key decision: No

Full Council decision: No

1. Purpose of report

The purpose of this report is to update and inform Employment Committee on actions being taken by Services to deliver a reduction in the levels of sickness absence.

2. Recommendations

- To continue to support the implementation of good sickness absence management practices, and to ensure the appropriate management action is taken to consistently reduce absenteeism across Services.

3. Background

3.1 At the previous Employment Committee on 16th September 2014 members requested that the heads of those services where the average per person per year sickness absence level was higher than eight days per year in August 2014 be asked to attend the next scheduled Employment Committee. They were the heads of service from;

- Adult Social Care
- Children's Social Care & Safeguarding
- Corporate Assets, Business & Standards
- Housing & Property Services
- International Ferry Port
- Revenues & Benefits

4. Reasons for recommendations

The continued management of sickness absence and the identification of appropriate and proportional 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.

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:

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:

Agenda Item 5

| | |
|-------------------------------|-------------------------------|
| Title of meeting: | Employment Committee |
| Date of Meeting: | 4 th November 2014 |
| Subject : | Senior Management Structure |
| Report by: | Chief Executive |
| Wards affected: | N/A |
| Key decision: | No |
| Full Council decision: | No |

1 Purpose of report

- 1.1 To advise Members of potential changes to senior (head of service and strategic director level) management structure of the Council in light of the reduction in the budget and changes to the council's operating environment.

2 Recommendations

It is recommended that:

- 2.1 Members consider the proposed reductions to the senior management structure as the basis for consultation with staff and unions.
- 2.2 Members agree the wider consultation arrangements as the basis for drawing attention of all staff through existing internal communications channels.

3 Background

- 3.1 Since July 2007, the number of director and head of service posts has been reduced from 33 to 20, saving over £1.5m per annum off the wage bill. Over the last five years, as requested by Employment Committee and in common with most unitary councils, this Council has reduced the number of directorates and has moved to 'People, Place, and Performance' as the basic building blocks of the officer structure.
- 3.2 The council does not have to have a Chief Executive, but does have to have a head of paid service, to whom a number of statutory posts must report. The post of chief executive can be shared with another council.
- 3.3 The council's current senior management structure is as shown on the chart at Appendix A. This structure was last formally reviewed in 2012 which resulted in a reduction in the number of director and head of service posts. These reductions, without reductions in the scope and responsibilities of the organisation, have implications for uplifting gradings across other posts under the council's job evaluation system as well as the capacity of the remaining staff.

- 3.4 At Employment Committee on 16th September 2014, Members agreed for the Chief Executive to undertake a review of the senior management structure, taking into account the importance to reflect the council's current and future priorities and the need to identify financial savings.
- 3.5 A range of different permutations have been explored, together with the following drivers for change which Members will need to consider in determining their preferred approach:
- Member priorities - where we need to maintain capacity and retain our talent
 - Which areas are not political priorities - where we can seek to cut management capacity
 - Where Members are prepared to take greater risk - where we can seek to reduce our management and operational capacity
 - Where Members are most risk averse - where we need to ensure we have an appropriate level of expert capacity and resilience
- 3.6 In addition to these considerations, before making decisions about the structure, Members should reflect that:
- 'Senior' management is only part of the management tiers of the organisation and shouldn't be looked at in isolation
 - Sufficient corporate governance needs to be retained at the appropriate level of influence
 - Consideration needs to be given to the impact of changes on the council's ability to generate income and attract grant and growth e.g. City Deal
 - Integration of services e.g. Better Care Fund work/CCG
 - Senior Management change capacity to deliver priority strategies and respond to likely changes in legislation and policy.

4 Overview of people, place, performance

4.1 People

- 4.1.1 This is the area of greatest council spend and the area facing the biggest pressures. It covers social care, education, safeguarding, and revenues and benefits. It also encompasses the council's responsibilities for community safety, licencing, civil emergency and public health and the interface between the council's activities and the health sector. It has links with the council's roles associated with housing, an area where it is felt that there is scope to explore greater synergy and integration. The council's work with troubled families also falls within this area, for which funding will be made available at head of service level by central government - this can help support our drive

for early intervention and greater integration with services delivered by other agencies, such as health.

4.1.2 Statutory guidance and central government policy and inspection regimes such as CQC and Ofsted heavily influence the areas of health, education and social care. The council has to have Directors of Children's services, Adults' services, and Public Health but subject to safeguards and review, these roles can be shared. They must report direct to the Chief Executive. The current structure combines these roles in two post holders at director level. Work is underway looking at greater sub-regional collaboration on public health services and far greater integration of health and social care at a local level, including with the Clinical Commissioning Group and major service providers.

4.1.3 There are currently six service units within the 'people' area:

- Education & strategic commissioning - part-funded by schools directly and as a traded service
- Children's social care and safeguarding
- Adult social care
- Revenues and benefits – exploring private sector partnership
- Integrated Commissioning - jointly funded with the CCG
- Health, safety and licencing - including public health

4.1.4 Whilst it is possible to consider the combination of roles, this should be balanced alongside the importance the city places on raising educational attainment, and the critical risks involved with children's social care and safeguarding, at this stage it is not recommended that these two roles be consolidated under a single head of service. Both roles are difficult to fill and have required market pay supplements. Elsewhere where this has been attempted councils have had difficulty in recruiting to a combined role even where the salary is substantially above PCC pay rates. Many local authorities still retain separate Children's Services and Adult Services Directors because of difficulties recruiting at 2nd Tier. Stable and permanent senior managers in this area are seen as essential by regulators and 'churn' can trigger an early Ofsted inspection.

4.1.5 In terms of future savings through integration, the areas of council activity which offer potential for greatest synergy with this work are between adult social care and health. Much of the work supported by the Better Care Fund is focussed on this, but more radical integration should be considered. Within the council, greater integration with housing (with social care) and environmental health (with public health) are worthy of examination. The area with arguably the weakest link to the 'people' directorate is revenues and benefits; despite being a front-line service in the eyes of recipients of benefit,

many local authorities host revenues and benefits with their other support services.

4.2 Place (Regeneration)

4.2.1 The 'Place' directorate has principal responsibility for the future economic and physical development of the city; attracting investment, providing and maintaining infrastructure, supporting business growth, skills alignment to employment opportunity and developing the cultural offer, sustainability and attractiveness of the city. As well as housing services, it includes some major services that the public use on a regular basis, such as highways, street lighting, waste collection and disposal. It is much more than the physical infrastructure of the city, and includes many regulatory services such as planning, parking, environmental health, trading standards and building control. Members chose to use the term 'Regeneration' rather than 'Place'.

4.2.2 There are currently four service units in the directorate. This configuration was the area that generated most debate last time members looked at the service units:

- Transport & Environment
- City Development & Cultural Services
- Corporate Assets, Business & Standards (incl. environmental health, private sector housing)
- Housing & Property Services

4.2.3 This configuration arose through Member desire to consolidate environmental contract management (waste, leisure, highways) and to split estate management functions between the operational and strategic. It leaves aspects of two key functions in two or more service units: housing and property. The greatest emerging areas of activity relate to skills, inward investment and support to business growth, where there are clear sub-regional links, including with Solent LEP and PUSH.

4.2.4 The areas within the directorate which have strong links to other directorates are with the 'people' directorate - housing with social care and environmental health with public health.

4.3 Performance (support services)

4.3.1 Effective and efficient support services are essential to enable the council to deliver its front line functions, control its finances, and manage its considerable corporate governance responsibilities, such as budgeting, public and democratic accountability and scrutiny.

4.3.2 For the last two years corporate support services have been brought together under one director (City Solicitor and Monitoring Officer) and four Heads of Service:

- Finance (including s151 officer)
- Information Services
- Customer, Community and Democratic Services - includes City Help Desk, a 'front line' service for all
- HR, Legal, and Performance (including Audit, Procurement, Strategy, Insurance)

4.3.3 The Council is required to appoint to the roles of Monitoring Officer and s151 Officer although these roles can be provided in other ways such as through joint working with other authorities. Whilst the level of support service needs to be proportionate to the needs of the other services, it also must be recognised that a city council will always have significant demand for support services; it can either buy in these services, as for example Southampton has done, share with other organisations, or retain services in-house and look to meet some of its costs by supplying (selling) services to other organisations, as has Hampshire CC. This council has retained services in-house and trades with a number of other organisations, currently to a value of c£5m per annum. The support services are organised on a centralised model with some instances of devolved delivery. Decentralisation to the directorates is an option but can increase costs, reduce flexibility and reduce corporate grip. However, there is scope for greater responsibility to be taken by managers within the other services, with fewer but more expert staff within the support services.

5 Comparative Senior Management Models

5.1 Information has been obtained from South East Employers in relation to senior management structures within other councils across our region and beyond. A table summarising these structures can be found in Appendix B.

6 Suggestions for consideration by Members

6.1 The council faces many more years of significant cuts to its central government grant and some huge challenges, which if unmet will place even greater pressure on costly remedial services. Key amongst these challenges are those relating to the health and social care of the city's population. Whilst we are still coming to terms with the changes in service design necessary in our own and partners' organisations to address the additional costs of a growing elderly population, we are also faced with a mounting wave of younger people who will face multiple morbidities at a younger age as a consequence of poor diet and insufficient exercise leading to obesity and the major complications that brings in later life. Whilst medical advances would

enable this population to live to a reasonable age, it will be very expensive to maintain, and if unchecked will put huge additional pressures on our housing, health and social care services.

- 6.2 In addition to the development of a more integrated approach to housing, health and care, in order to address the root of these problems it will be essential that the educational and skills attainment of the city's population is quickly and drastically improved; hand in glove, we must continue to support the creation and growth of an employment base with a good range of high value-added jobs in the sectors in which the local and regional economy can expect to compete globally and in which our indigenous emerging workforce has the skills and aptitudes to fully participate and prosper. Providing the physical and cultural infrastructure for the city and the sub-region to operate effectively and become a location of choice for employers and residents are also pre-requisites.
- 6.3 City councils are obliged to deliver a broad range of services (over 1200 statutory services), and others they choose to provide. The council must ensure that it can offer the support services necessary to enable the front-line services to deliver as efficiently as possible and meet the standards of accountability, democracy, transparency and prudence demanded of it.
- 6.4 In addressing the challenges set out above, the council has been pursuing a four-strand strategy:
 1. Reduce dependency on tax and grant - e.g. generate more income
 2. Reduce the population's need for council services - e.g. early intervention and prevention, manage demand, increase skills and employment
 3. Increase efficiency and effectiveness - e.g. reduce waste, increase value for money, integrate services
 4. Cut low-impact services first - recognising that 'low impact' means different things to different people
- 6.5 Over the last 4 years the controllable budget of the council will have been reduced by £63m, largely achieved by increases in efficiency and effectiveness. In very few areas has the council actually stopped providing services, but has expected more from less, often with increasing expectations in terms of service quality and the ability to do new things. The council needs to ensure that its senior management structure is capable of delivering on this change agenda, and that its expectations are tempered by reduced capacity.
- 6.6 Recognising that significant reductions have been made in capacity over the last eight years, the following suggestions identify areas where reductions to the amount and configuration of senior management could be considered by Members to help maintain the council's ability to maintain its response to the budget challenges it faces.

6.7 People

- Radical re-alignment of adult social care, housing and health management to achieve:
 - increased independence in the community and reduced dependency on council services
 - lower level of council funding of services
 - increased level of integration between health, housing and social care
 - increased level of personal budgets/direct payments
 - externalisation of PCC direct service delivery including potential commissioning of adult social care through the Clinical Commissioning Group
- Move Public Health from adults' portfolio to children's portfolio, as this is where the emphasis of early intervention and best start in life should be focused, for example in the role of Children's Centres.

6.8 Place (Regeneration)

- Retain emphasis on regeneration of the city, wealth generation and developing employment opportunities and employer-led skills provision
- Review areas of housing and estates – both areas currently split across two Heads of Service - including consideration of sharing estates function with other partners, e.g. neighbouring councils, University of Portsmouth, Solent Healthcare Trust etc. and move of housing activities into the 'people' directorate.
- Create a 'Development Team' exploiting property investment opportunities that can lead to increased revenue income and capital receipts in line with council priorities
- Consider promoting the amalgamation and expansion of cultural trusts and new models of service delivery
- Seek engagement with neighbouring councils and other organisations on issues such as parking management, environmental health, planning policy, waste management
- Seek greater co-production/shared staffing with Solent LEP and PUSH

6.9 Performance

- 6.9.1 Members have indicated that this is an area where they feel that the number of heads of service could be reduced. Consolidation of senior management can be achieved in a number of ways, for example by combining the range of

activities/responsibilities currently covered by four heads of service, therefore reducing overall headcount. Members must recognise that this may lead to a reduction in the resilience of support services to properly assist front-line delivery, and the capacity of the organisation which may inhibit the council's ability to attract business from elsewhere. However, more can and should be expected of the managers elsewhere across the council to take responsibility for more of their own 'support service' decisions. Such an approach would put the affected heads of service at risk.

7 Process

- 7.1 The adoption of proposals contained within this report will have direct implications for a number of staff as a consequence of change to the existing senior management structure. The Council has an obligation to consult unions and employees to ensure a fair redundancy procedure.
- 7.2 In accordance with the council's workforce organisational change policy, the unions and those staff directly affected have been advised, at the earliest opportunity that their posts may be at risk under the proposals being considered.
- 7.3 Members need to decide the approach that best meets the needs and circumstances of the council over the next few years. This report sets out options which the committee is advised to consult upon with staff and the unions. If the committee accepts the recommendations of this report, this will enable a new structure to be drawn up and a formal period of consultation to commence. Please refer to Appendix C for full details of the process.
- 7.4 The length of the consultation period is legally determined by the number of staff at risk of leaving across the council as a whole. Currently there are fewer than 99 staff at risk across the organisation; therefore the minimum consultation period required will be 30 days during which time further proposals may be put forward.
- 7.5 At the end of the consultation period, Members will be required to consider any representations received during consultation, prior to endorsing the recommendation of the proposed senior management structure.

8 Equalities Impact Assessment (EIA)

- 8.1 A preliminary Equalities Impact Assessment has been undertaken.

9 Legal implications

- 9.1 The implications outlined in the report, whilst preliminary, are such that a redundancy process (a potentially statutorily fair reason for dismissal) will potentially need to be considered as against a background of structural change. The key factors to avoid claims of unfair dismissal either based upon

a redundancy situation not existing or flaws in the process of selection (substantive unfairness) are at this point as follows:

- The burden is upon the employer to establish that the jobs/posts no longer exist in that the need to employ has ceased or diminished.
- The process of consultation and procedure will need to be clearly established prior to dismissals occurring as, whilst the employer might be able to establish a reason for dismissal (redundancy), the dismissals might be unfair if the consultation, selection and criteria used are flawed.
- Appropriate consideration to existing corporate policies will need to be given in any process mapping.
- Consultation will need to be meaningful and engaged early enough to avoid any applications to the Employment Tribunal for protective payment awards; the current time frame would be 30 days.
- The key to avoid claims is to map accurately the structure re-profiling, engage early, consult throughout and be able to objectively justify selection, as a Tribunal will be concerned about decisions being fair and reasonable in all the circumstances having due regard to the size and nature of the undertaking (the employer's organisational size).

10 Head of Financial Services comments

10.1 The financial implications arising from the implementation of any of the changes contained within this report will relate to the estimated costs of redundancies and the ongoing savings arising from a reduction in Heads of service posts.

10.2 Whilst it will be for Members to determine the final structure, in terms of in-year and future savings, the savings arising from the reduction up to four Heads of Service in both current and future years is estimated at £311,000 for 2015/16 and all future years. Any delay to the implementation of the proposed redundancies will serve only to reduce the level of savings that could have been achieved. This is because any delayed savings considerably outweigh the reductions in the redundancy costs which would occur. As a guide, with likely re-grades at more junior levels, the full year savings are:

| | |
|----------|----------|
| Director | £82,600* |
|----------|----------|

| | |
|-----------------|----------|
| Head of Service | £77,700* |
|-----------------|----------|

*These figures exclude redundancy & pension strain costs

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Signed by:

Appendices:

Appendix A - Current Senior Management Structure Chart

Appendix B - Summary of Comparative Senior Management Models

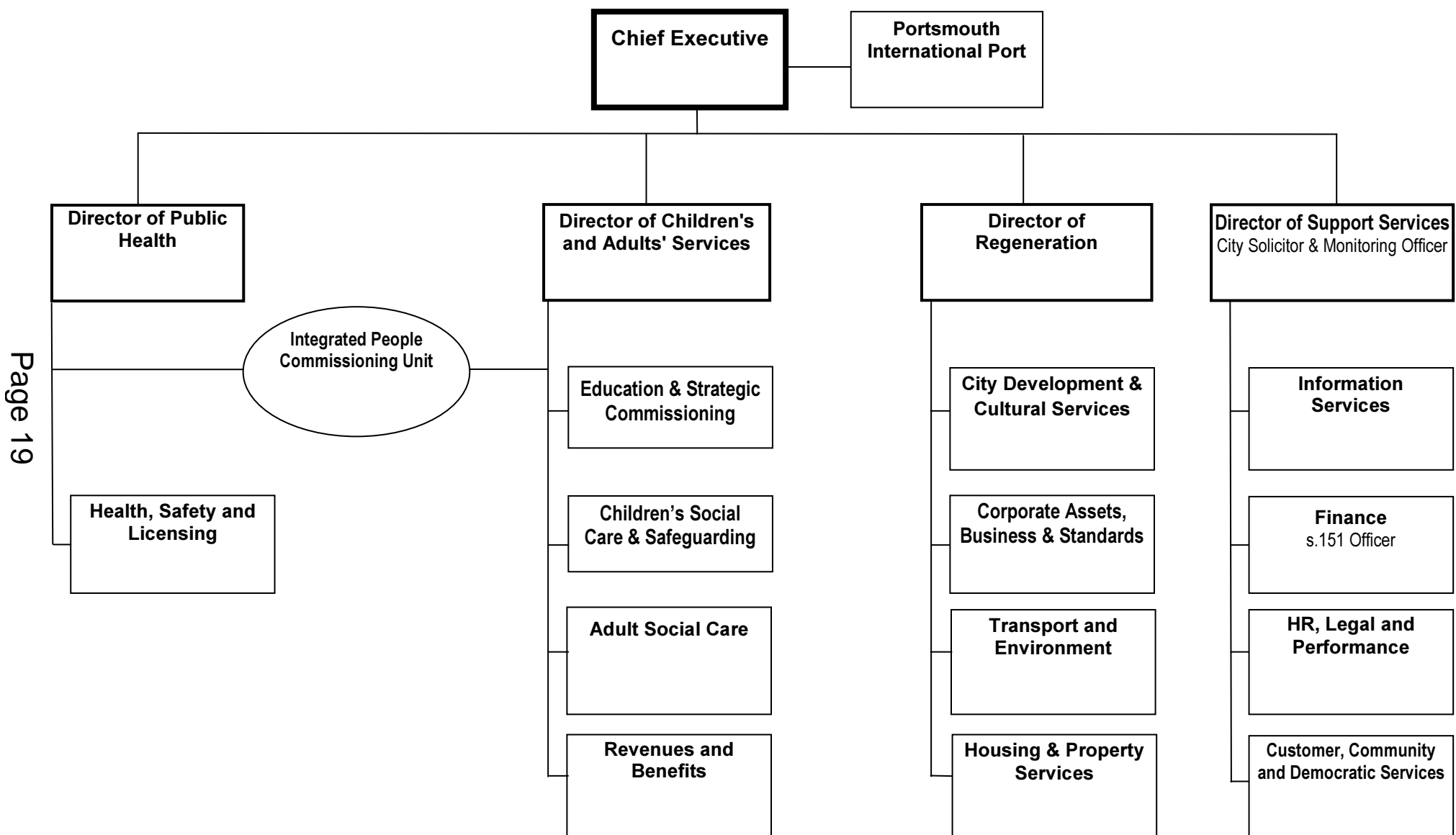
Appendix C - Consultation Process

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 doc ume nt | Location |
|---------------------------------|----------|
| | |

Current Senior Management Structure



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Comparative Senior Management Models

| Authorities | Chief Executive/ Managing Director | Assistant Chief Executive | Strategic Director/ Executive Director | Service/Assistant Directors | Head of Service |
|--------------------------------|---------------------------------------|------------------------------|---|--------------------------------|---|
| Derby City Council | 1 | | 4 Directorates : Adults, Health & Housing; Children & Young People; Neighbourhoods; Resources | 3 | 12 |
| Bournemouth Borough Council | 1 | | 3 Directorates: Adults & Children; Finance; Environment & Economy (Public Health shared with Dorset and Poole) | | 14 (including Public Health shared with Dorset and Poole) |
| Telford & Wrekin Council | 1 | | 3 Directorates: Development Business & Customer Services; Care, Health & Well-Being; Children & Family Services | 11 | |
| Bracknell Forest Council | 1 | 1 | 5 Directorates: Corportate Services; Children, Young People and Learning; Adult Social Care, Health & Housing; Public Health; Environment, Culture & Communities | | 18 |
| Coventry City Council | 1 | | 4 Directorates: Resources; Public Health; People; Place/LEP Chief Executive | 18 | |
| Peterborough City Council | 1 | | 6 Directorates: Governance; Resources; Growth & Regeneration; Children's Services; Adult Social Care & Health and Wellbeing; Communities | | 25 |

Comparative Senior Management Models

| | | | | | |
|------------------------------|---|---|--|----|----|
| Reading Borough Council | 1 | | 2 Directorates: Environment & Neighbourhood Services; Education, Adult & Children's Services (Public Health shared across Berkshire) | | 13 |
| Brighton & Hove City Council | 1 | 1 | 6 Directorates: Finances & Resources (\$151 Officer); Audit Services; Children's Services; Public Health; Environment; Development & Housing; Law | | 25 |
| Southampton City Council | 1 | 1 | 3 Directorates: Corportate Services; Place (Environment & Economy); People; Public Health | | 15 |
| Plymouth City Council | 1 | | 4 Directorates: People; Place; Transformation; Public Health | 13 | 2 |

Senior Management Review

1 Process

- 1.1 If Members agree to the recommendations a detailed proposal will be formulated. If accepted this will enable a formal period of consultation to commence.

2 Purpose of Collective Consultation

- 2.1 Informing and consulting with the workforce is essential for the success of any organisation. The aim is to allow employees to influence the employer's decision
- 2.2 Consultation is not simply the act of passing information on or presenting employees with decisions that have already been agreed. It is a process by which management and trade unions or (employee representatives) are able to discuss and examine issues of mutual concern, with the outcome resulting in employees having had the opportunity to influence the decision making process by considering and feeding back on the organisations proposal. The business reason for not accepting a proposal needs to be compelling and able to demonstrate all suggestions have been taken into account during the consultation period.
- 2.3 In order to ensure the consultation process is meaningful the organisation should be clear on;
- The business rationale behind the proposed dismissals
 - That while the organisation will make the final decision, representatives will have a full opportunity to comment on the proposal.
 - Management will listen, engage and consider views of employees when making decisions, demonstrating genuine opportunity to influence the outcome.

3 Statutory Consultation

- 3.1 Collective consultation must take place in good time. The statutory timetable for consultation should be regarded as a minimum and is as follows:

| Number of employees it is proposed to be dismissed at establishment over 90 day period. | Minimum consultation period before first dismissal takes effect. |
|--|---|
| 20 - 99 | 30 days |
| 100 or more | 45 days |

The employer should not issue notices of termination until the consultation process has been completed.

3.2 For the purposes of consultation, the employer must provide the appropriate representatives with certain information in writing. This includes:

- The reasons for the proposed redundancies
- Numbers and description of posts affected
- Proposed method of selecting the employees who may be dismissed.
- Proposed method of carrying out the dismissals, taking account of any agreed procedure including the period of time which the dismissals are to take effect.

The consultation should include exploring ways of avoiding potential dismissals, reducing the number of employees to be dismissed and mitigating the consequences of the dismissals.

3.3 The Employment Appeals Tribunal (EAT) has set out principles for ensuring fairness of redundancy dismissals. Whilst the principles were formulated in relation to consultation where the employees are represented by a trade union, employers should also apply them when consulting individually, whether or not a union is involved. The principles include:

- The employer will seek to give as much warning as possible of impending redundancies so as to enable the union and employees who may be affected to take early steps to inform themselves of the relevant facts, consider possible alternative solutions and, if necessary, find alternative employment in the organisation or elsewhere.
- The employer should begin consultation when proposals are at a sufficiently formative stage to enable the consultation to be meaningful. This should be at an early enough stage so that all options can be explored with employees including whether or not the need for redundancies can be avoided.

4 Information and Consultation Methods

4.1 Whilst the Employment Committee is concerned with the recruitment and dismissal of officers at Head of Service level and above, the proposal for the senior management structure is of a wider interest to the council's staff, unions and partnership organisations.

4.2 Employers can inform and consult using a variety of communication and information methods, depending in part on the size and structure of the organisation. Whatever method is used, Members should take into account the following factors:

- The information should be clear, easy to understand and concise. Presented objectively so that employees are encouraged to make proposals without being influenced by the employer's view.
- Relevant and open to consultation.
- Should aim to provide regular and systematic updates to ensure employees know when to expect them.
- Approach should be consistent when providing information. Particular care should be taken when different sources cascade the information

- Employers should be transparent when giving information
- 4.3 Should Members be minded to approve the recommendation to the wider consultation arrangements they may wish to give due consideration to previous methods of internal communications successfully utilised to ensure meaningful consultation with the council staff and unions. These included:
- Providing an outline of proposals and link to the full report published on PCC Intranet site
 - Creation of a Marketplace thread to prompt questions and discussions.
 - Proposal information included in Team Brief (monthly update sent to all managers for discussion at team meetings).
- 4.4 In addition, the Chief Executive personally briefed the Corporate Management Board and the Third Tier Managers on the proposed changes, highlighting where they could make representations.
An email address was created to receive any representations on the proposal and Directors and Heads of Service also collated representations they received.

5 Determination of a redundancy Selection pool

- 5.1 Where it has been established circumstances are likely to result in a job loss or job losses and there are consequent redundancies, management will normally create a 'pool' of employees from which the selection is to be made.
- 5.2 Redundancy is potentially a fair reason for dismissal under section 98 of the Employment Rights Act 1996. An employer must show that it has acted reasonably and adopted a fair procedure, this requires consideration of the appropriate pool of employees from which the selection for redundancy is made. An organisation is afforded a degree of flexibility when defining the redundancy pool. However, to ensure the fairness of any dismissals the employer must demonstrate that it took a reasonable approach.
- 5.3 Should Members be minded to approve the recommendation to change the senior management structure they will need to ensure the selection criteria applied to the pool of staff at risk of redundancy is objective and applied in a fair and consistent way.

Considerations

- What is the purpose of the post selected, how many other posts also fit this purpose.
- When recruiting is the same criteria applied in the selection process.
- Could a post holder act as a substitute for another post holder
- If one post is not considered part of the pool what excludes it.
[Employment Tribunals tend to look at title, salary, level of responsibility and require a substantial difference for exclusion purposes]

- 5.4 The organisation should look at the day to day activities of the post holders and the terms of their employment. Focus should be on the reality of the work they actually undertake rather than what their contract says in theory is required to be undertake. Consideration also needs to be applied as to whether an individual's skills are interchangeable with other employees, so a wider selection pool may be required. It is not necessary to determine a redundancy selection pool where only one job role is redundant, and there is only one employee carrying out that role. However this will only apply where the role is unique within the business. If there are other roles that are similar across the organisation or that require similar skills and qualifications ie leadership and management, consideration will need to be undertaken to decide whether it is appropriate to include the employees in those roles into a pool for selection.

6 Next steps

- 6.1 Dependent upon Members decision, having fully considered the responses to consultation [regarding the detailed proposal yet to be formulated in relation to senior management posts]. One or more heads of service posts may be redundant and the post holders at risk of redundancy. Members will need to consider whether to:

- 'Slot - in' where heads of service are substantially performing the role proposed in the structure
- Ring fence recruitment to those post holders at that level who are at risk or performing a part of the role.

- 6.2 There is a proper process to go through to guide members' decision in relation to making appointments to new staffing structures and this supports the Councils redeployment policy and existing practice.

Principles

The process of movement of employees from existing to new structures should be achieved as effectively as possible through a fair procedure which includes:

- Identification of Job Matching
- Ring fencing of recruitment

Job Matching

Broad criteria should focus on purpose of the role taking into account skills, experience, knowledge and level of responsibility

Ring Fencing

If through a reduction of the number of posts in the new structure there are more people than posts, appointment should be considered through the ring fence selection process.

- 6.3 The Employment Committee is perfectly entitled to elect to ring fence the recruitment process, inviting only staff identified as being at risk to apply. In addition this will ensure compliance with existing redeployment policy and practice utilised across the Council.

- 6.4 Where any post profile is significantly revised as part of the restructure, this should be evaluated under the Council's Job Evaluation process.

7 Timeline

- 7.1 Assuming that appointments to any new posts are sought through an internal ring fence process (in line with existing redeployment policy). The timescale set out below is a guide to the potential timelines.

| Senior Management Consultation | Days |
|---|---------------------|
| Consultation | 45/30 days |
| Collate response and prepare report | 14 days |
| Report to committee | 1 day |
| Special Employment Committee (if appropriate) | 1 day |
| Communication and job matching | 7 days |
| Selection and redundancy communication | 14 days |
| Notice periods | 84 days |
| Total | 166/151 days |

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Agenda Item 6

Agenda item:

Decision maker: Employment Committee 4 Nov 2014

Subject: Health and Safety Annual Report: 1/04/2013 – 31/03/2014

Report by: Owen Buckwell – Head of Housing & Property Service

Wards affected: All

Key decision (over £250k): No

1. Purpose of report

To update the Employment Committee on Portsmouth City Council's (PCC) health and safety (H&S) performance for the period 1 April 2013 - 31 March 2014.

2. Recommendations

It is recommended that the 2014/15 H&S action plan be agreed and endorsed by the Employment Committee.

3. Health and safety report

3.1 Introduction:

3.1.1 The corporate health and safety (H&S) management system is maintained and monitored by the H&S Unit, who are accountable to the Strategic Directors Board (SDB) via the Head of Housing & Property Service (HPS). The H&S team is directly employed by the council and their role is to provide advice, guidance and support to members, managers and employees to enable them to fulfil their legal/moral H&S responsibilities and comply with the corporate H&S policy and UK legislation.

3.1.2 Health and Safety Executive (HSE) involvement with the Council continues to be pro-active and there were no formal prohibition/improvement notices served on the council in 2013/14. The H&S Unit has not been made aware of any 'fee for intervention' charges being levied on the council - in relation to material breaches in legislation being identified by HSE inspectors.

3.1.3 In October 2013 a HSE Inspector carried out a 1-day site audit of the Councils' legionella management policy/processes, particularly focusing on the management of the 4 x 'cooling towers' sited at the civic offices and central library (as part of a 3-year 'Legionella Intervention' programme' throughout the UK). A positive outcome was achieved with no formal action being taken, subject to several recommendations being agreed (the recommendations have since been appropriately addressed).

3.1.4 The H&S Unit continues to work closely with the Council's Environmental Health team and Legal team on H&S related issues/incidents within the city, particularly where the HSE or the Environment Agency have requested information.

3.1.5 The 'Radon' management strategy (detailed in the H&S Unit's 2012/2013 H&S report) has been successfully implemented and concluded by Housing and Property Services. J Smithard (Radon Group, Public Health England) has advised that the results of a three month radon

monitoring survey in 2013 conclude that levels of radon are negligible and no further radon management/monitoring action is necessary with regard to the councils building portfolio. This outcome concludes that the council is compliant with 'Radon management' legislation.

Note: The survey was conducted by Housing and Property Service staff using radon 'passive detectors' in seventeen local authority schools throughout the city.

3.1.6 The H&S Unit service level agreement (SLA) was purchased by 100% of local authority (LA) schools during this reporting year and this trend is expected to continue (see 3.6 below).

3.1.7 Information relating to specific work undertaken by the H&S Unit during this reporting period is detailed in the remainder of this report. The proposed 2014/15 H&S Unit action plan is attached as Appendix 1 and a review of the 2013/14 action plan is detailed at Appendix 2.

3.2 Communication channels:

3.2.1 The Joint Health Safety and Wellbeing Forum (JHSWF) continues as the corporate committee for reviewing and addressing H&S management issues and communicating H&S related policy and procedural changes council-wide. The forums membership remains constant with quarterly meetings being well attended and the associated e-newsletter produced by the H&S Unit (Making your Workplace Safer) is proving a popular means of ensuring important corporate H&S information is cascaded council-wide (issue 12 was circulated in March 2014).

3.2.2 The H&S Unit webpages have been removed from IntraLINK, reviewed and relevant information transferred onto the new corporate staff intranet.

3.2.3 The fourteen corporate H&S policies produced and maintained by the H&S Unit have been reviewed and re-issued council-wide via Policy hub, but continue to be available via the schools google-based website or direct from the H&S Unit.

3.2.4 The H&S Unit continues to maintain pro-active working relationships with union H&S representatives within the council and LA schools, which includes consultation on new and revised corporate H&S related policies.

3.3 Health and safety training:

3.3.1 A total of **3,572** members of council staff and LA school employees received statutory cost effective training facilitated by the H&S Unit and 'People Handling and Back Care Advisor' in this reporting year (2013/14), continuing the upward trend following the transition from classroom based training to e-learning for mandatory H&S courses since 2011. The majority of the eight e-learning courses produced by the H&S Unit have been recently reviewed to reflect legislative changes, accommodate new corporate training software and take account of customer feedback.

3.3.2 The H&S Unit has developed a 'stand-alone' portable training kit, available for short-term loan to council and school managers, to assist in delivering mandatory e-learning courses as team briefings (specifically designed for staff groups where e-learning is not a viable or cost-effective option).

3.3.3 In addition to mandatory e-learning, the H&S Unit delivers 2 x classroom based H&S training courses ['work activity risk assessment' (half day) and 'practical load handling' (2 hour)], available to all council/school employees, bookable via the council's Managed Learning Environment (MLE). The risk assessment course has recently been revised to reflect legislative/corporate policy requirements and focus on/address customer needs and the 'practical load handling' course is currently under review. Other historic H&S courses deemed non-beneficial by the H&S manager have been withdrawn. Reducing the burden of staff having to

attend non-productive training has also reduced associated costs and downtime borne by managers, services and the council.

3.3.4 People handling training continues to be developed and delivered by the corporate 'People Handling and Back Care Advisor' and has also recently undergone a considerable review.

3.3.5 The requirement for fire safety warden training was raised at corporate level in March 2014 and the resolution is progressing and training expected to go live by October 2014.

3.3.6 A breakdown of training facilitated by the H&S Unit and 'People Handling and Back Care Advisor' (PHBCA) in 2013/14 is as follows:

H&S e-learning courses

| | |
|---|--------------------|
| • H&S Induction | 473 |
| • H&S Induction for Members | 27 |
| • Using computers and DSE safely | 616 |
| • Manual handling | 285 |
| • Incident reporting and Investigation for managers | 156 |
| • Legionella awareness | 86 |
| • Asbestos awareness | 98 |
| • Fire safety awareness | 964 |
| | 2705 (2306) |

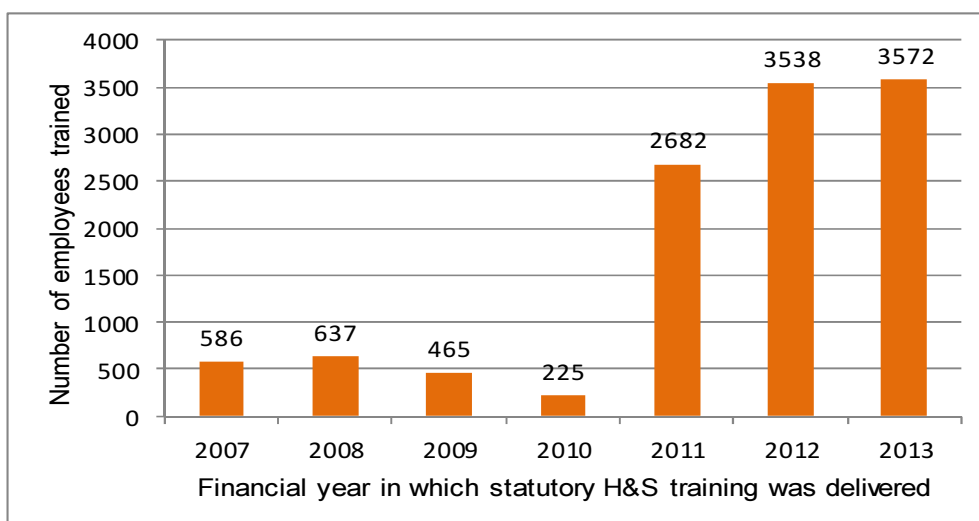
Stand-alone portable H&S Unit training kit

| | |
|----------------------------------|-----------------|
| • H&S induction briefing | 18 |
| • Fire safety awareness briefing | 46 |
| • Manual handling briefing | 32 |
| • Legionella briefing | 3 |
| • Asbestos briefing | 3 |
| | 102 (88) |

Classroom based courses:

| | |
|--|-------------------|
| • Practical load handling | 58 |
| • Practical 'people handling' (delivered by PHBCA) | 656 |
| • Control of substances hazardous to health | 17 |
| • Risk assessment | 34 |
| | 765 (1144) |

Note: totals for 2012/13 in brackets



H&S Unit training facilitated since 2007
(Data taken from H&S records and MLE system - 4th April 2014)

3.4 Incident reporting statistics for 2013/2014:

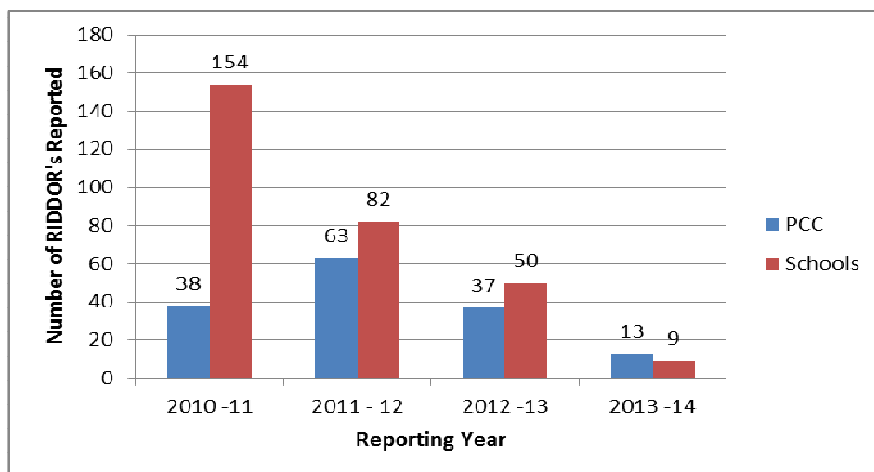
3.4.1 No fatalities or serious incidents involving council employees associated with work activities and/or infrastructure were reported to PCC H&S Unit in this reporting year. 'Overall' incidents reported were 16% fewer than in the previous year, with RIDDOR reports significantly reduced (by 75%). PCC incident statistics for 2013/14 reflect a pro-active reporting culture and an improvement in corporate reporting policy, guidance and advice available to staff. No negative trends were highlighted by the H&S Unit and the statistics reflect the expected industry norm, taking into account the type of work activities undertaken by the council.

3.4.2 The total number of incidents (accidents and acts of violence) reported to the H&S Unit in 2013/14 was 700 (389 PCC services + 311 schools), compared with 831 in 2012/13 (503 PCC services + 328 schools).

3.4.3 RIDDOR reports accounted for 22 of the total incidents reported (13 PCC services + 9 schools), compared with 87 in the previous year (37 PCC services + 50 schools). Of the 22 reports, 20 involved staff (13 x 'over 7 day absence', 6 x fractures and 1 x occupational disease) and 2 involved members of the public being taken to hospital (1 x child at adventure playground and 1 x child at school).

3.4.4 The significant reduction in RIDDOR reports over the last three years (75%, 40% & 25% respectively) is largely attributable to an on-going education campaign led by the H&S Unit to nurture a better understanding of the legal reporting requirements within the council and LA schools. The campaign has achieved its objective of reducing 'over-reporting' to the enforcing authority (HSE). This RIDDOR reporting downward trend is now expected to stabilise.

Note: RIDDOR is the 'Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013'



RIDDOR Incidents reported to the HSE: 2010 - 2014

3.4.5 Violent incident reports (VIRs) account for 448 of the 700 incidents reported to the H&S Unit (233 PCC services + 215 Schools), compared with 395 VIRs reported in the previous year (206 PCC services + 189 Schools).

- 366 were reported as physical acts (225 'non-injury' and 141 'injury' incidents) - injuries sustained were mostly minor but 3 were RIDDOR reportable (1 x fracture and 2 x 'over 7 day workplace absence').
- The other 82 violent incidents were reported as non-physical acts (verbal/intimidation).

3.4.6 The new corporate incident reporting database and associated report forms have improved data capture and facilitates more scope to interrogate data and highlight incident trends. The database only came on-line in October 2013 so it is not possible to include annual graphs in this report. The graphics attached at Appendix 3 give a sample representation (6 months) of the data that can be produced at short notice.

3.5 Policy reviews

The following corporate policies and guidance documents were produced and/or reviewed by the H&S Unit in this reporting year:

- Corporate Accident Reporting Policy: 10th July 2013
- Corporate Asbestos Management Policy (revised Dec 2013)
- Display Screen Equipment 'Using Computers for Work' Policy (revised Dec 2013)
- Corporate Legionella Management Policy (revised Dec 2013)
- Health & Safety Training Policy (revised Dec 2013)
- Corporate Driving for Work Policy (revised Jan 2014)
- Corporate Fire Policy (revised Jan 2014)
- Corporate Health and Safety Policy (revised Jan 2014)
- Moving and Handling People Policy (revised Jan 2014)
- Procurement of Contractors, Suppliers and Partner Organisations Policy (revised Jan 2014)
- Managing Incidents of Violence Against School Employees Policy (revised Jan 2014)
- Violence & Aggression Management Policy & Guidance Document (revised Jan 2014)
- First Aid Policy (revised Apr 2014)
- Guidance - Work Activity Risk Assessment Guidance: April 2013
- Guidance - Working from Home: H&S Guidance for Managers & Employees: Nov 2013

3.6 H&S Unit Service Level Agreement (SLA) with LA Schools and Academies:

3.6.1 The H&S Unit service level agreement (SLA) was purchased by 100% of local authority schools in this reporting year and continues to prove beneficial and cost-effective to both schools and the council. The income generated from the SLA in this reporting period offset partial cost of the H&S provision to schools provided by the H&S Unit.

3.6.2 Feedback from school Head Teachers, focal points and school forums continues to be positive and there is concise evidence of closer working relationships between schools and the H&S Unit, particularly in relation to accident/incident reporting and site-specific safety inspections.

3.6.3 The 2014/15 SLA has been offered to LA and academy schools located within the city and the uptake is expected to be positive. The pricing structure in the new SLA has been revised to ensure a fair contribution by schools purchasing the service and to assist the council in ensuring this service remains sustainable, taking into account the corporate risk associated with the SLA.

3.7 Corporate H&S Unit Action Plans

The 2014/15 H&S Unit action plan, submitted for approval, is attached at Appendix 1 and the 2013/14 H&S Unit action plan has been reviewed and is attached as Appendix 2.

4. **Reasons for recommendations**

These recommendations are put forward for approval to assist the council in complying with UK H&S legislation, PCC H&S policies and to strive for continual improvement of the corporate H&S management system

5. Equality impact assessment (EIA)

This report has undergone an effective equality impact assessment

6. Legal Implications

There are no legal implications in this report and it ensures that the council meets its statutory duties and also supports the council's policies on H&S.

7. Head of finance's comments

There are no additional financial costs arising from the recommendations in this report.

Appendices:

Appendix 1: H&S Unit corporate action plan for 2014/15

Appendix 2: Update of H&S Unit corporate action plan 2013/14

Appendix 3: Incident statistics sample

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:

Portsmouth City Council: H&S Unit Corporate Action Plan 2014/15

| Action | Objective | Target date | Lead person | Update/ outcome |
|--|---|--------------------|---------------------|------------------------|
| 1. Annual review of the corporate H&S policy and statement of intent | To ensure compliance with H&S legislation and council policies and strategies | 28/02/15 | H&S Manager | |
| 2. Produce/implement a corporate H&S audit and inspection policy | To provide corporate assurance and verify service/ workplace specific compliance with corporate H&S policy | 31/12/14 | H&S Manager | |
| 3. Review corporate first aid policy | To reflect current legislative requirements and council policy/procedures | 31/05/14 | H&S Manager | |
| 4. Review/revise the corporate mandatory 'manual handling e-learning' course | Revised course to compliment the corporate 'H&S risk assessment' training course and customer needs. | 30/06/14 | H&S Manager | |
| 5. Review/revise the corporate mandatory 'load handling practical' training course | Revised course to compliment the corporate 'H&S risk assessment' training course and the 'manual handling e-learning' | 30/09/14 | H&S Manager | |
| 6. Revise the corporate manual handling policy | Revised policy to reflect current legislative requirements and corporate procedures | 31/10/14 | H&S Manager | |
| 7. Implement corporate fire safety warden training | To ensure compliance with H&S/fire safety legislation and council policy | 31/11/14 | Fire Safety Advisor | |
| 8. Deliver schools services in accordance with the SLA | To ensure compliance with H&S policy/legislation and generate income to support the H&S Advisor post | 31/03/15 | H&S Manager | |
| 9. Further develop and maintain the corporate and schools H&S webpages | To continue to provide a one-stop location for corporate H&S policies and H&S information relevant to council work activities | 31/03/15 | H&S Manager | |
| 10. Produce the annual report for employment committee | For compliance with corporate H&S policy | 30/05/15 | H&S Manager | |
| | | | | |

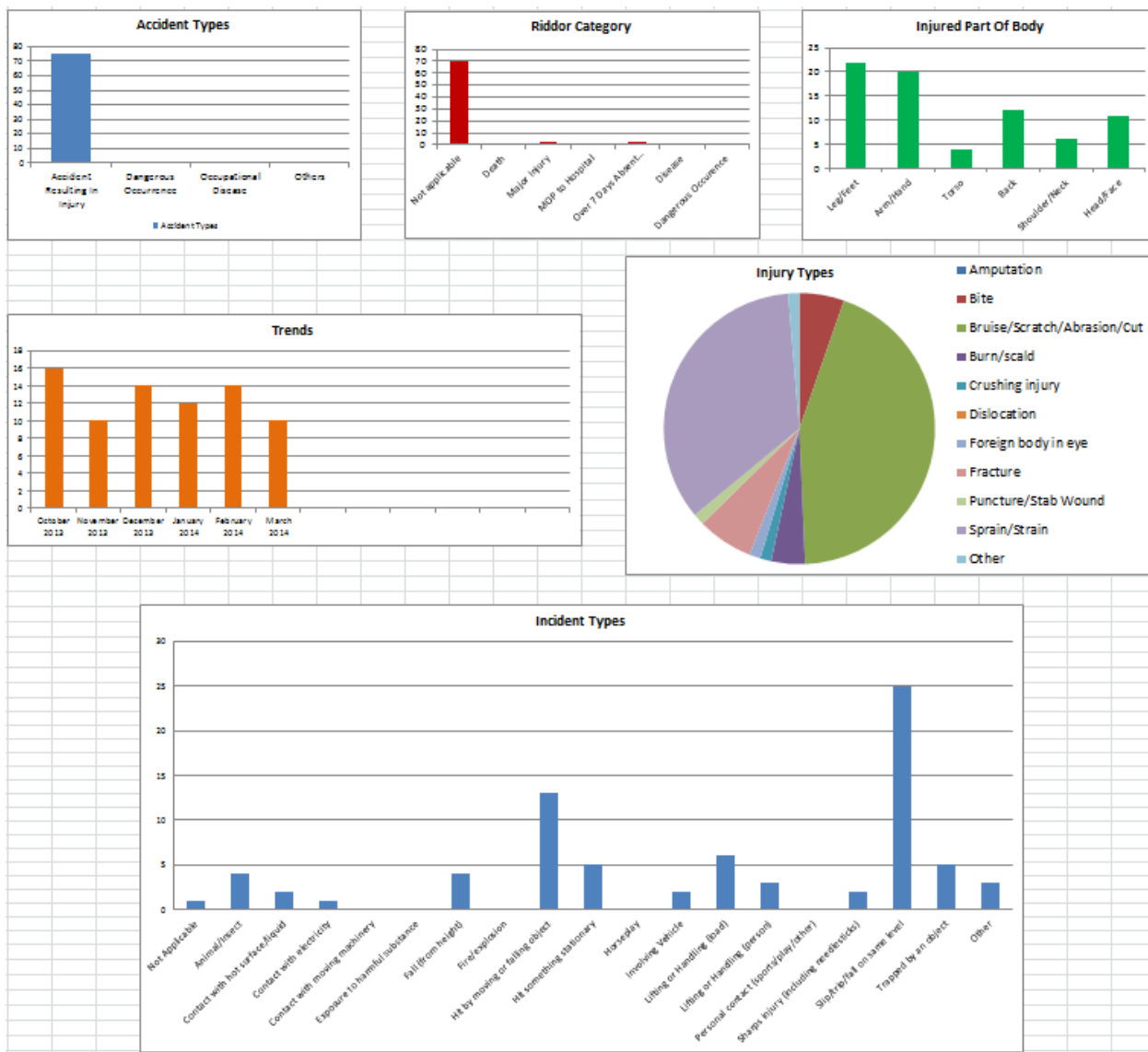
Update: H&S Unit Corporate Action Plan 2013/14

| Action | Objective | Target date | Lead person | Update/ outcome |
|--|--|-------------|-------------|--------------------------------------|
| 1. Annual review of the corporate H&S policy and statement of intent | To ensure compliance with H&S legislation and council policies and strategies | 28/02/14 | H&S Manager | Action complete |
| 2. Produce/implement a corporate H&S audit and inspection policy | To provide corporate assurance and verify service/ workplace specific compliance with corporate H&S policy | 31/12/13 | H&S Manager | Action on-going See note 1 |
| 3. Draft and implement a revised corporate violence management policy, report form and associated database | To provide meaningful data and corporate direction to assist managers in capturing information for use in reviewing work processes, managing litigation claims and complying with law (RIDDOR 1995) | 31/1/14 | H&S Manager | Action complete |
| 4. Draft and implement a corporate accident reporting policy | To introduce 1 x user-friendly report form, a new database to provide meaningful data and corporate direction - to assist managers in capturing information for use in reviewing work processes, managing litigation claims and complying with law (RIDDOR 1995) | 01/07/13 | H&S Manager | Action complete |
| 5. Produce a corporate H&S risk assessment e-learning course and review face-to-face training course | To assist managers and staff in understanding corporate H&S risk assessment requirements and give practical experience in completing 'task specific' risk assessments | 31/10/13 | H&S Manager | Action complete See note 2 |
| 6. Produce and implement corporate legionella policy | To ensure compliance with H&S legislation and be able to clearly demonstrate corporate and service-specific compliance to the Health and Safety Executive | 31/08/13 | H&S Manager | Action complete |
| 7. Review and implement the corporate asbestos management policy | To ensure compliance with H&S legislation and be able to clearly demonstrate corporate and service-specific compliance to the Health and Safety Executive | 31/07/13 | H&S Manager | Action complete |
| 8. H&S Unit staff review | Consider restructuring in light of HR service review, customer/corporate H&S needs, School's SLA income and an H&S advisor retiring. | 31/10/13 | Head of HR | Action complete See note 3 |
| 9. Deliver schools services in accordance with the SLA | To ensure compliance with H&S policy/legislation and generate income to support the H&S advisor post | 31/03/14 | H&S Manager | Action complete |
| 10. Further develop and maintain the corporate and schools H&S webpages | To continue to provide a one-stop location for corporate H&S policies and H&S information relevant to council work activities | 31/03/14 | H&S Manager | Action complete |
| 11. Produce the annual report for employment committee | For compliance with corporate H&S policy | 30/05/14 | H&S Manager | Action complete |

Notes:

1. The action to produce a corporate audit and inspection programme is on-going and expected to be completed by December 2014. The H&S Unit advisors will continue to complete site-specific H&S inspections (Health Checks) until the audit/inspection policy is produced and goes live.
2. Classroom based risk assessment training course revised and delivered by H&S Unit. - negating the requirement for an e-learning course.
3. Review completed and H&S Unit transferred from HR to Housing and Property Services

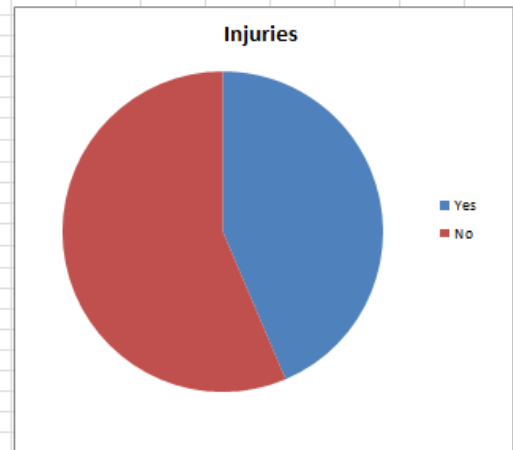
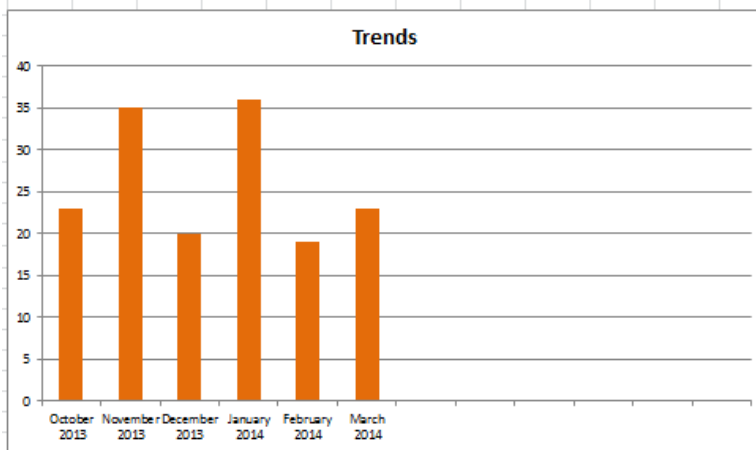
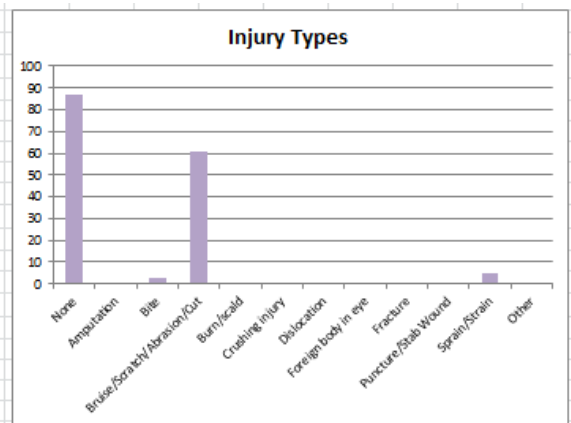
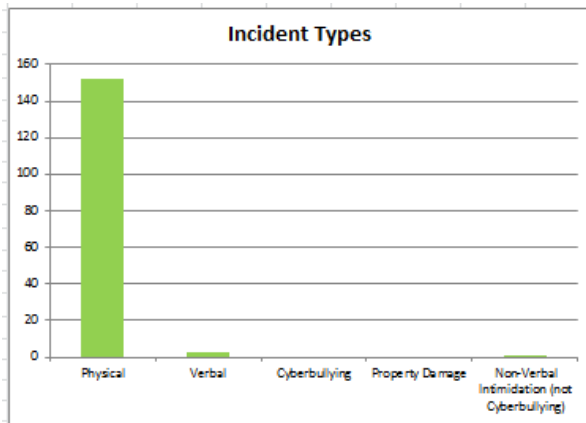
New Incident Reporting Database Sample - 1/10/2013 - 31/03/2014



PCC 'Accident' Data



PCC 'Violent Incident' Data



School 'Violent incident' Data



School 'Accident' Data

Agenda Item 7

Agenda item:

Title of meeting: Employment Committee

Date of meeting: Tuesday, 4 November 2014

Subject: Discretionary Pension Policy Statement Review

Report by: Shaun Tetley, Payroll and Pension Manager

Wards affected: None

Key decision: No

Full Council decision: No

1. Purpose of report

At the Employment Committee meeting on Tuesday, 17 June 2014 approval was given to the Portsmouth City Council Discretionary Pension Policy Statement. A number of minor changes to the policy are now required and this report seeks approval for these changes to be made.

2. Recommendations

Employment Committee approve the discretionary pension policy statement set out in appendix 1 of this report with effect from 1 April 2014.

3. Background

- 3.1 The introduction of the Local Government Pension Scheme (LGPS) from 1 April 2014 requires all scheme employers to review their existing discretionary pension policy statements and publish new policy statements effective from 1 April 2014. This is required under Regulation 60(1) of the LGPS Regulations 2013 and Regulation 66 (1) of the LGPS (Administration) Regulations 2007.
- 3.2 Employment Committee approved the Portsmouth City Council discretionary pension policy statement at its meeting on Tuesday, 17 June 2014 and following the meeting, we actioned the requirement to lodge a copy of the policy with Hampshire County Council (Pension Services) in their role as the Pension Administering Authority.
- 3.3 Prior to the discretionary pension policy statement being submitted to the Employment Committee, a draft copy was approved by Hampshire Pension Services. In the past few weeks Hampshire have undertaken a review of the discretionary pension policy statements across all employers in Hampshire and have advised employers that some changes are now required.

4.0 Discretionary Pension Policy Changes

4.1 Amendment 1 - removal of a discretion that is no longer required

The discretion in italics below can now be removed from the discretionary pension policy statement. This discretion is no longer required as the former employee does not require the approval of the council to access their pension benefits early. If they do choose to draw their benefits and a pension strain arises, this will result in a personal reduction in their benefits. There is no scope to waive the reduction as we have an alternative discretion in place to indicate that this is not an option.

The following discretion will therefore be removed:

Exercise the discretion to approve the early payment of pension benefits before normal retirement age at the request of a former employee (a deferred pensioner) under Regulation 30 (8) provided that no pension strain charge accrues

4.2 Amendment 2 - minor amendment to the wording of a discretion

The following minor amendment is recommended to improve the clarity of the discretion. The only change to the current wording of this discretion is to add the words 'including former employees'

It is proposed that this discretion is now drafted as follows:

*Not exercise the discretion in Regulation 30 (8) to waive any actuarial reduction in a scheme members **(including former employees)** LGPS benefits in cases of:*

- *Flexible retirement*
- *Voluntary retirement*

4.3 Amendment 3 - new discretion to be added to policy statement

There is a requirement for a new discretion, shown in italics below, to be added to the discretionary pension policy statement. The introduction of this discretion will ensure that we have the appropriate powers in place to approve the payment of benefits in the circumstances outlined.

Portsmouth City Council will:

Exercise the discretion to approve the payment of pension benefits for former employees between the ages of 55 and 60 who stopped contributing to the LGPS on or after April 2008 and before 1 April 2014 under Regulation 30 (deferred members) and Regulation 30A (suspended tier 3 ill health members) provided that no employer pension strain charge accrues

4.4 Amendment 4 - new discretion to be added to policy statement

There is a requirement for a new discretion, shown in italics below, to be added to the discretionary pension policy statement. The introduction of this discretion will ensure that where a member elects to receive their pension benefits between the ages of 55 and 60, they will not receive benefits in accordance with the 85 year rule protection. If the council were to include 85 year protection within the discretionary policy, this would lead to significant employer pension strain charges.

Portsmouth City Council will:

Not exercise the discretion to authorise the application of the 85 year rule for any member who chooses to receive their pension between the ages of 55 and 60 under Schedule 2, paragraph 2 of the Local Government Pension Scheme (Transitional Provisions, savings and Amendment) Regulations 2014

5. Equality impact assessment (EIA)

A preliminary EIA has been undertaken and no negative impact on any of the equality groups has been identified.

6. Head of Legal Services comments

There are no legal implications arising from this report.

7. Head of Finance's comments

All of the relevant financial implications are contained within the body of the report.

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Signed by:

Appendices:

Appendix 1 - Discretionary Compensation & Benefits Policy Statement for Portsmouth City Council Employees

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 |
|--------------------------|---|
| LGPS Regulations 2013 | http://www.lgpsregs.org/index.php/regs-legislation/timeline-regulations-2014 |

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

.....
Signed by:



Discretionary Compensation & Benefits Policy Statement for Portsmouth City Council Employees

The introduction of the new Local Government Pension Scheme (LGPS) from 1 April 2014 requires all scheme employers to review their existing discretionary pension policy statements and publish new policy statements effective from 1 April 2014. This is required under Regulation 60(1) of the LGPS Regulations 2013 and Regulation 66 (1) of the LGPS (Administration) Regulations 2007.

This discretionary pension policy has been approved by Employment Committee and for completeness contains both the compulsory and non-compulsory discretions.

Portsmouth City Council will:

- Not exercise the discretion to award additional pension under Regulation 31
- Not exercise the discretion to make any employer contribution to regular or lump sum additional pension contribution (APC) under Regulation 16 (2) e and Regulation 16 (4) d other than where the Regulations mandate this
- Exercise the discretion to approve the payment of pension benefits for staff over the age of 55 under the flexible retirement provisions contained in Regulation 30 (6). Approval will be subject to the member of staff meeting the additional flexible retirement conditions contained in the HR policy entitled 'Flexible Retirement Policy'
- Not exercise the discretion in Regulation 30 (8) (including former employees) to waive any actuarial reduction in a scheme members LGPS benefits in cases of:
 - Flexible retirement
 - Voluntary retirement
- Exercise the discretion to approve the payment of pension benefits for former employees between the ages of 55 and 60 who stopped contributing to the LGPS on or after April 2008 and before 1 April 2014 under Regulation 30 (deferred members) and Regulation 30A (suspended tier 3 ill health members) provided that no employer pension strain charge accrues
- Only accept elections *not* to combine pension rights from previous local government employment with a current period of membership, which are made within 12 months of re-joining the scheme under Regulation 22 (7b)
- Only accept elections *not* to combine a deferred pension account with an active pension account, which are made within 12 months of re-joining the scheme under Regulation 22 (8b)

- Not exercise the discretion to extend the period of accepting the transfer of inward pension rights beyond 12 months under Regulation 100
- Not exercise the discretion to authorise the application of the 85 year rule for any member who chooses to receive their pension between the ages of 55 and 60 under Schedule 2, paragraph 2 of the Local Government Pension Scheme (Transitional Provisions, savings and Amendment) Regulations 2014
- Calculate your redundancy pay using the Government statutory redundancy table to assess the number of weeks of redundancy pay. This will use actual week's pay and continuous local government service to calculate the total redundancy pay rather than using the Government statutory maximum weekly rate of redundancy pay
- Not enhance your statutory redundancy pay up to the maximum 104 weeks pay under Regulation 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.
- Consider the award of compensation, in cases of early retirement on the grounds of efficiency of the service. Compensation would be calculated on your actual weeks pay and continuous local government service using the Government statutory redundancy pay table. Where compensation is agreed under this discretion your actual weekly rate of pay will be used instead of the Government statutory maximum weekly rate of redundancy pay. The decision to award compensation will be made by the Employment Committee following the recommendation of the relevant Strategic Director in consultation with the Head of Human Resources and Head of Financial Services
- At the end of a period of re-employment, reduce, according to a set formula, the added year's element of your pension to ensure you would be no better off in pension terms than if you had remained in the original job. Details of the formulas are available from the Hampshire Pension Services (Hampshire County Council)
- Assess your pension deduction using the rules set out in annex 1 at the foot of this Discretionary Compensation & Benefits Policy Statement
- Inform you if our policy on Discretionary Compensation and LGPS Benefits changes in the future by updating this policy statement and publishing it

If you have any questions or need further information please contact your HR Manager or the Financial Services Pensions Team.

Updated October 2014

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Agenda item:

Title of meeting: Employment Committee

Date of meeting: 4 November 2014

Subject: Shared Parental Leave and Pay

Report by: Head of HR, Legal and Performance

Wards affected: N/A

Key decision: No

Full Council decision: No

1. Purpose of report

The purpose of the report is to appraise members of statutory changes affecting leave entitlements for parents, and establish a rate of pay for shared parental leave.

2. Recommendations

It is recommended that the Employment Committee;

- i. Notes statutory changes to leave entitlements for parents.
- ii. Pays the statutory rate of pay during shared parental leave.
- iii. Requests the Head of HR, Legal and Performance to actively review the policy in light of demand for leave and emerging employment practice and report back to members if changes are required in light of experience.

3. Background

- 3.1. Shared parental leave is new legislation effective from 1 December 2014, the legislation will apply to eligible employees with babies with an expected due date on or after 5 April 2015 or an adopter with a child placement on or after 5 April 2015. A Shared Parental Leave policy should be in place by 1 December 2014.
- 3.2. The Shared Parental Leave policy will replace the current Additional Paternity Leave policy. Additional paternity leave is not paid at an enhanced rate. Ordinary paternity leave of two weeks (one week paid at full pay and one week paid at the statutory rate where eligible) will continue to be available to fathers or partners (as long as they have not already taken a period of shared parental leave).

- 3.3. The new legislation is designed to give parents more flexibility in how to share the care of their child in the first year following birth or adoption.

The birth mother must have 2 weeks compulsory maternity leave following childbirth. The mother/adopter will continue to be entitled to 52 weeks of maternity/adoption leave and 39 weeks of statutory maternity/adoption pay or maternity allowance (where eligible) if they wish.

Alternatively, an eligible mother/adopter can choose to end maternity/adoption leave early and, with the child's father or the partner, will be able to opt to move to shared parental leave instead of maternity/adoption leave. If they both meet the qualifying requirements, they will need to decide how they divide the remaining shared parental leave and pay entitlement between them. Shared parental leave can be taken by either parent in a continuous period or in a discontinuous period. Parents may choose to take time off together.

- 3.4. When the mother/adopter moves into shared parental leave, they will end maternity/adoption leave and pay. Alternatively, they may choose instead to give binding written notice to stop the maternity/adoption leave at a future date (which then allows the partner to be off at the same time) but not actually start their own shared parental leave until after the end of the occupational maternity/adoption pay period. The mother/adopter could therefore continue on the enhanced occupational rate of pay.

3.5. Rate of pay

- 3.5.1. At present, the mother/adopter has an entitlement (where eligible) to enhanced occupational maternity/adoption pay which is 6 weeks at 9/10th and 12 weeks half pay and the father/partner is entitled (where eligible) to nil pay or statutory additional paternity pay (which can be taken 20 weeks after the birth/placement of the child). This payment is not enhanced.
- 3.5.2. In relation to the new shared parental leave and pay legislation, there is no statutory provision that requires the employer to pay an enhanced occupational shared parental leave rate.
- 3.5.3. The Local Government Association (LGA) has advised that there are no plans to introduce a national occupational shared parental pay scheme. The LGA has advised that individual authorities will need to consider the approach they wish to take locally.

4. Reasons for recommendation

- 4.1. It is recommended that the statutory rate of pay (£138.18 per week) is paid during shared parental leave. This is for a total period of 39 weeks, shared between the 2 parties, minus any weeks previously taken as maternity or adoption pay.

4.2. Reasons for the recommendation:

- 4.2.1. The Equality Act s13(6) - states in a case of sex discrimination, “...*no account is to be taken of special treatment afforded to a woman in connection with pregnancy or childbirth*”. Therefore, paying an enhanced occupational maternity rate but not enhancing the rate of pay for shared parental leave, could be judged as a proportionate response to protect those in this situation due to the biological condition of pregnancy and childbirth.
- 4.2.2. There are recent cases that support the view of not paying an enhanced rate during shared parental leave, although the cases do not relate specifically to shared parental leave as the law is not yet in place.
- 4.2.3. At this stage, most Local Authorities have not given a definite answer as to which approach they are going to take, although, at a recent South East Employers meeting all representatives attending indicated they would not be paying an enhanced rate.
- 4.2.4. If a decision is made to pay the statutory rate of pay during shared parental leave, the situation will be kept under review and changes can be made to the policy if case law emerges and advice changes.
- 4.3. The Local Government Association (LGA) have provided in their monthly bulletin to Local Authorities information that could be used to support paying the statutory rate only for shared parental leave. They have also provided a recommendation that a collection of evidence is made once shared parental leave is in place that can be used to support the decision to pay the statutory rate only for shared parental leave.

An extract from the LGA bulletin detailing the advice is shown at Appendix 1.

- 4.4. An alternative option is to pay an enhanced rate for shared parental leave instead of paying the statutory rate, but the complexity of the issue and the complex nature of administering the scheme means that the recommendations support paying the statutory rate.

It is difficult to establish the cost of paying at an enhanced rate. Reports suggest that take up of shared parental leave will be low but these reports are based on statutory payments only which could deter large numbers of people from taking it. If an enhanced rate is paid, it may greatly increase the numbers taking it.

If an enhanced rate is introduced, it would be more difficult to revert to statutory payments at a later stage.

- 4.5. All policy decisions will also need to be reflected in the policies for school staff.

5. Equality impact assessment (EIA)

A preliminary EIA has been completed and a full EIA is not required.

6. Legal implications

The report and the Appendix 1 from the LGA (No 617) does outline the position as to implementation of the right to initiate Shared Parental Leave, effective from April 2015, in addition, the current recommendation does attempt to avoid potential risk associated with:

- i. Direct discrimination claims.
- ii. Indirect discrimination claims.

By recommending a payment of shared benefits at the current statutory rate the aim would be to mitigate as against claims being raised. This said it is the position that the law is still evolving and there will be a need to keep development of this situation under review.

7. Finance comments

The financial impact based on the recommendations of this report is minimal. For each employee that takes shared parental leave there is a cost of £11.05 per week (based on the 8% irrecoverable amount of the statutory payment). This increases by a further £18.10 per week if they are a member of the pension scheme. These figures are based on the assumption that the position of any employee who takes shared parental leave is backfilled at nil additional cost.

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Signed by:

Appendices: App 1 - Extract from LGA Advisory Bulletin No 617

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 |
|-------------------|----------|
| | |

**Extract from the Local Government Association (LGA) Advisory Bulletin
September 2014 No: 617**

Shared Parental Leave

One issue that has arisen in the run up to the introduction of the new right to SPL is whether it is necessary to offer employees taking SPL the same occupational pay as women receive when taking maternity leave e.g. the current six weeks at 90% of full pay, followed by 12 weeks at 50% of full pay, plus statutory pay, which is payable to women who qualify under the Green Book. There are currently no plans to introduce national occupational shared parental pay schemes. Individual authorities will need to consider the approach they wish to take locally on this issue.

Obviously, the concern is that to not provide the same pay could result in claims of sex discrimination. However, currently the decisions in the few cases that have considered similar issues have not upheld such claims.

As far as direct discrimination is concerned, this should not be a problem as the comparator for a man on SPL should be a woman who is also taking SPL, and provided she receives the same pay as a man on SPL, there will be no discrimination on the grounds of sex.

The chink in the armour, however, relates to the extent to which someone can successfully argue that someone taking SPL is, in practice, no different to someone taking maternity leave, and therefore a man may be able to point to a woman on maternity leave as their comparator.

However, in the case of *Montull v Instituto Nacional de la Seguridad Social* (C-5/12) arrangements in Spain were under scrutiny, whereby an employed woman had maternity leave and could transfer some of her that leave to the father, but there was no free-standing right to leave for employed men. The wife of the father in this case was self-employed. He brought a claim alleging that the difference in treatment between employed women and employed men was discriminatory. The ECJ dismissed his claim, holding that the difference in treatment was justified under the Equal Treatment Directive. This provides that provisions which are more favourable to women than men will not be discriminatory if they relate to the protection of women during pregnancy and maternity. The fact that a woman could decide to give her partner some of this leave did not detract from this.

This principle was followed in a recent employment tribunal case *Shuter v Ford Motor Company Ltd* (case number 3203504/2013). This case concerned the fact that Ford paid women on maternity leave full pay for 52 weeks. However, employees taking additional paternity leave only received statutory pay. The tribunal adopted the same approach as the ECJ in the *Montull* case, holding that a man on additional paternity leave could not compare himself with a woman on maternity leave. The fact that a woman could choose to end her maternity leave to allow the father to take paternity leave did not affect this.

Claims may also arise around indirect discrimination. The employment tribunal in

Shuter rejected such a claim in relation additional paternity leave. Ford's policy of paying women on maternity leave full pay during the same time scale that a man could be on additional paternity leave (i.e. after 20 weeks' maternity leave) and who would only receive statutory pay disadvantaged more men than women. The employment tribunal in the circumstances of this case found that the discrimination was justified due to the recruitment and retention of women in the predominantly male workforce. And of course in the case of additional paternity leave far more men than women take leave, whereas this is much less likely to be the case when the new shared parental leave scheme comes in as both men and women would take the leave. It is therefore less likely that a male claimant could demonstrate group disadvantage to men.

Therefore, although there will always be the possibility that a claim may be made, it appears at the moment that the chances of success are limited. However, if a decision is made not to provide occupational shared parental pay, it is advisable to keep the situation under review. If a claimant were able to demonstrate that men suffer a disadvantage then it would be necessary to have arguments that would justify the policy. It needs to be remembered that cost alone cannot justify discrimination. Therefore arguments that an authority cannot afford to increase its costs by introducing a new occupational pay scheme would probably not be sufficient. However, other arguments that could be advanced are that the authority would not wish to reduce occupational maternity pay as this is a valuable recruitment and retention tool. Local government pay occupational half pay on the basis that a woman will return to local government for three months, and hopefully continue thereafter, and it is therefore designed to retain her skills and knowledge in the sector. Given the fact that the workforce is predominantly female, this is an important policy. Retaining women in the workforce, without significant breaks away from work, may also help to address in due course any gender imbalance in more senior grades.

Bearing this in mind, consideration should be given to the collection of evidence to back up any justification put forward. For example, records of numbers of employees who receive half pay and do come back to work for at least three months, and also of any employees who take maternity or shared parental leave and do not return, may assist should any claims arise in the future.

Agenda Item 9



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Employment Committee

Date of meeting: 4th November 2014

Subject: Apprenticeships - Follow up report

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

Wards affected: N/A

Key decision: No

Full Council decision: No

1. Purpose of report

To update members of the Employment Committee on the actions requested of officers at the Employment Committee held on 16th September 2014.

2. Recommendations

Members are **recommended** to:

- (i) note the positive progress to date in promoting apprenticeships within the Council as detailed in Appendix 1
- (ii) Note the research that has been completed and the outcomes identified
- (iii) Agree the following recommendations for work to increase apprenticeship opportunities within the City Council.
 - a. Set an Apprenticeship rate for the City Council at the National Minimum Wage rate for 18-20 year olds which is currently £5.13 per hour (£9,870.12 per annum excluding employment on-costs).
 - b. Continue to identify staff in post who could convert to an Apprenticeship to enable access to a qualification.
 - c. Work with services with high agency costs to identify any possible apprenticeship opportunities.
 - d. Work with services to identify external funding opportunities to create supernumerary apprenticeship posts.
 - e. HR officers to develop internal marketing and case studies to support apprenticeship recruitment.

3. Background

- 3.1 Discussion at the Employment Committee of 16th September 2014 concluded that officers should continue to increase the number of apprenticeships within the City Council. To this end two additional recommendations were agreed;

- (i) encourage officers to explore how PCC can increase the current target;

- (ii) ask officers to bring back a report to the Employment Committee meeting in November that shows how other councils are delivering a higher number of apprenticeships.

3.2 At the time of this report there are currently 7 apprenticeship opportunities identified that are in recruitment, development or scheduled for the next financial year with 30 recruited and in post giving a total of 37 within the City Council. This is an increase of 9 opportunities from the report taken to the September Employment Committee. It should be noted that we are about to enter a period where traditionally recruitment slows and many services are waiting for the outcome of budget decisions that will be made by Full Council.

4. Research Completed and Methodology

4.1 A survey of 54 Unitary Local Authorities 32 London Boroughs and the immediate neighbouring councils (Southampton and the Isle of Wight are included in the Unitary Local Authority numbers) of Hampshire County Council, West Sussex County Council, Havant Borough Council, Fareham Borough Council and Gosport Borough Council has been completed and out of 91 Local Authorities contacted 45 responded to our questions. Please note the data collected has not been attributed to individual councils in this report.

4.2 The survey asked all the local authorities the following questions:

- Do you currently offer Apprenticeships?
- If no can you tell us why?
- If yes how long have you been providing them?
- Are the Apprenticeships you offer supernumerary?
- If yes how many do you have and how is it funded?
- If no how do you identify suitable posts e.g. vacancies at certain pay bands
- What is the current number of Apprentices you have employed (for the last 12 months) at Level 2, Level 3 and Level 4?
- Are any of your Apprentices existing staff that you have converted onto an Apprenticeships? If so how many?
- What is the annual salary for apprentices employed who are undertaking Level 2, Level 3 or Level 4 qualifications
- How many staff (excluding Schools) does your local authority employ?
- Any other comments.

5. Findings from the research

5.1 Appendix 2 shows the outcome of the 45 responses received, some of the headline information includes:

- (i) Creative use of Section 106 funds to create supernumerary posts within the local authority

- (ii) Using the National Minimum Wage (NMW) or a reduced pay rate as an apprenticeship wage
- (iii) Funding part of the apprenticeship salary costs from a central budget with the employing service picking up the remainder (50/50 split)
- (iv) Making use of external funding streams as and when they arise e.g. Skills Funding Agency and European Social Fund

6. Options for consideration

- 6.1 Many of the local authorities who responded to the survey used the NMW (which is age related) to pay their apprentices. The creation of a lower rate of pay for apprentices could increase numbers but this needs to be measured against the impact on the quality of people applying and staff relations. Members previously agreed to pay Apprentices within the City Council at the pay band for the post minus 20% to take account of training requirements. This was later changed to the current pay banding (Band 1 £12,614 per annum excluding employment on-costs) which generates additional savings for services and is more in line with councils in our local area. Reducing the pay band further, to the NMW for 18 - 20 years old (£9,870.12 per annum excluding employment on-costs), would bring the City Council more in line with the national average for apprenticeship pay without adversely affecting the number and quality of applicants which has been experienced by some councils' paying the NMW for apprenticeships. In this scenario Services would need to retain the ability to pay a higher rate where the technical needs and skills required of the post holder are more demanding.
- 6.2 Conversion of existing staff aged 23 years and under is something that has been happening as and when staff are identified as being eligible for an apprenticeship. A recent data report from the City Council's HR system identified 66 staff in this age range but closer inspection of the data identified that 18 were already in an apprentice post and 3 were qualified Social Workers. HR staff will take an action to investigate further to ascertain the eligibility for apprenticeship within this staff group and work with their service to convert the post; this will include looking for opportunities for Level 4 qualifications.
- 6.3 Work with services that currently have high agency costs as this was identified by a number of local authorities that were surveyed, as an area where the number of apprentices can grow whilst making savings for the service and reducing reliance on agency staff. However this may not be possible in some areas where Agency staff are required to be fully qualified and able to operate with minimal support.
- 6.4 Work with services to include a supernumerary apprenticeship post(s), which would sit within the City Council, in any funding bids and major projects especially in the STEM areas.
- 6.5 Develop internal marketing to promote apprenticeships wider within the City Council and make best use of the success stories and managers who have positively engaged with apprenticeships.

7. Legal implications

- 7.1 If a decision is made to reduce the Apprenticeship rate of pay from Band 1 it would require existing apprentices to have their pay rate reduced and protected for the remainder of their apprenticeship in order to avoid the possibility of equal pay claims.

8. Finance comments

- 8.1 There are no additional costs arising directly from the recommendations in this report. The proposed revised pay rate for apprentices represents a reduction in the cost to services of taking on an apprentice in future

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Signed by:

Appendices:

Appendix 1 - Tables showing the Apprenticeships in recruitment and recruited by Service, Qualification and Number.

Appendix 2 - Research findings.

Appendix 3 - External Apprenticeships Development Activity

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 |
|--|----------------------|
| Shaping the Future of Portsmouth | Strategy Unit |
| Business Growth & Skills Plan | Strategy Unit |
| Apprenticeship Strategy | Strategy Unit |
| Apprenticeship Employment Committee Report 16 th September 2014 | Employment Committee |

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

.....Signed by:

| Apprenticeships in recruitment / discussion or in development | | | |
|--|----------------------------|---|------------------------------|
| Service | Team | Qualification | Number of Apprentices |
| Adult Social Care | Recovery Hub | Business Administration on-hold awaiting funding | 1 |
| Children's Social Care & Safeguarding | Children Looked After Team | Business Administration | 1 |
| City Development & Cultural Services | Museums | Currently on hold for 2015/16 | 1 |
| Health, Safety & Licensing | Public Health | To be confirmed planned for Jan 2015 | 1 |
| HR, Legal & Performance | Internal Audit | Business Administration Planned for 2015/16 | 1 |
| Transport & Environment | Civil Enforcement | Customer Service (in recruitment) | 1 |
| Transport & Environment | Parking Team | Business Administration - currently in discussion | 1 |

| Apprenticeships Recruited | | | |
|---|---|-------------------------|------------------------------|
| Service | Team | Qualification | Number of Apprentices |
| Adult Social Care | Transformation & Business Development | Business Administration | 2 |
| Adult Social Care | Portsmouth Day Service (working across all units) | Health & Social Care | 3 |
| City Development & Cultural Services | Museums | Customer Service | 2 (including 1 Care Leaver) |
| Children's Social Care & Safeguarding | ITYSS Participation | Customer Service | 1 (Care Leaver) |
| Corporate Assets, Business and Standards | PCMI | Business Administration | 2 |
| Customer, Community & Democratic Services | City Help Desk | Customer Service | 4 |

| Apprenticeships Recruited | | | |
|-------------------------------------|---|---------------------------------|-----------------------|
| Service | Team | Qualification | Number of Apprentices |
| Education & Strategic Commissioning | Education Information Services / Admissions | Business Administration | 1 |
| Finance | Corporate Finance & Housing Finance | Business Administration | 2 |
| Finance | EBS, ASC Payments team, Income & Payments | Business Administration | 2 |
| Housing & Property Services | Communities and Play | Personal Training & Instruction | 1 |
| Housing & Property Services | Green & Clean | Gardening | 2 |
| Housing & Property Services | Housing Area Offices | Housing | 6 |
| HR, Legal & Performance | HR Admin | Business Administration | 1 |
| HR, Legal and Performance | Learning & Development | Customer service | 1 (Care Leaver) |
| Total | | | 37 |

Data Findings from Research

A survey of 54 Unitary Local Authorities 32 London Boroughs and the immediate neighbouring councils (Southampton and the Isle of Wight are included in the Unitary Local Authority numbers) of Hampshire County Council, West Sussex County Council, Havant Borough Council, Fareham Borough Council and Gosport Borough Council has been completed and out of 91 Local Authorities contacted 45 responded to our questions. Portsmouth City Council information has been added to the data to give a response rate of 46. Please note the data collected has not been attributed to individual councils in this report

How long have you provided apprenticeships?

| | |
|------------------------|-----------|
| 0-4 years | 18 |
| 5-9 years | 13 |
| 10+ years | 11 |
| Not answered | 4 |
| Total responses | 46 |

Do you provide supernumerary posts?

| | |
|------------------------|-----------|
| Yes | 4 |
| No | 20 |
| Mix of both | 16 |
| Not answered | 6 |
| Total responses | 46 |

How many staff does your local authority employ (excluding Schools)?

| | |
|------------------------|-----------|
| 1 to 2,000 | 8 |
| 2,001 to 4,999 | 22 |
| 5,000+ | 10 |
| Not answered | 6 |
| Total responses | 46 |

Are any of your Apprentices existing staff that you have converted onto an Apprenticeships?

| | |
|------------------------|-----------|
| Yes | 13 |
| No | 30 |
| Not answered | 3 |
| Total responses | 46 |

If yes, how many? (Converted staff)

| | |
|------------------------|-----------|
| 1-10 staff | 9 |
| 11-20 staff | 0 |
| 20 + staff | 3 |
| Not answered | 1 |
| Total responses | 13 |

Pay breakdown

Using Apprentices studying for a Level 2 qualification as a baseline the responses received were grouped as follows:

- 10 Councils pay the National Minimum Wage (NMW) for Apprentices which is currently set at £2.73 per hour (£5,252.52 per annum excluding employment on-costs).
- 7 Councils pay a rate set by the Council which is very close to the NMW Apprenticeship wage.
- 5 Councils pay a similar amount to the NMW for under 18's which is currently £3.79 per hour (£7,291.96 per annum excluding employment on-costs).
- 8 pay the NMW for the age of the Apprentice and 3 pay a set NMW rate regardless of age (18-20 years £5.13 per hour, £9,870.12 per annum, 21 & over £6.50 per hour, £12,506.00 per annum excluding employment on-costs).
- 10 Councils have a set 'apprentice wage', 6 of these are over £10,000 per annum with one being as high as £16,000 per annum
- The size or locality of the Local Authority doesn't seem to affect the amount they pay their apprentices with some councils in London, the South and North all paying the NMW for apprentices. Within the same demographic some Councils' are paying way above the NMW.
- The National Apprenticeship Service quotes £4.59 per hour (£8,840 per annum excluding employment on-costs) as a national average.

Other information gathered

- All 14 councils that answered the "how do you identify apprenticeship posts" answered that they use service budgets or vacant posts. 2 of these councils transfer all vacant full time posts in low bands into apprenticeships
- 20 of the councils surveyed who identified supernumerary posts identified the following funding streams that support them:
 - Funded by the Arts Council
 - Funded through the Crime Commissioner
 - Funded from the Corporate L&D budget
 - Funded through Economic grants
 - Funded through Corporate reserves
 - Funded through European Social Fund
 - Funded through pilots for Early Years Foundation Stage (EYFS)
 - Funded through S106

- Funded through unspecified grants
- The Councils surveyed were asked for any 'Other Comments' which are detailed below:
 - *'A Work Placement or Traineeship is undertaken prior to starting an apprenticeship to enable candidates to gain an understanding of the work environment within the local authority and an opportunity for the council to assess the candidate's suitability for progression to an apprenticeship.'*
 - *'The council has appointed Apprenticeship Ambassadors as part of its commitment to apprenticeships in the city. The ambassadors are apprentices were brought together by the Education and Inclusion Department within Children's Services in partnership with Human Resources. The ambassadors work in a variety of departments including Schools, Human Resources, Procurement, Culture, Media Relations and Adult Social Care. The aim is to help raise awareness and value of apprenticeships in the world of work to young people and parents/carers across the city. From September 2014, the new formed ambassadors will be targeting schools and colleges, holding workshops, open discussions, setting up video links and talking about their own experiences to encourage the idea of applying for an apprenticeship.'*
 - *'As part of our OD strategy, we are looking to have a much more coordinated approach to Apprenticeships as part of our recruitment and retention strategy and to promote apprenticeships in the local economy.'*
 - *'Every 3-4 years we undertake a mapping exercise to ascertain skills shortage areas which might arise in the future. From this information we try to grow talent into the roles to avoid a skills gap in the future. Any bids the Council work on we encourage apprentices to be part of the workforce. The Council are finding our apprenticeship scheme a great way to grow their future workforce and unlock local talent. We prioritise on local residents. We have a 'B' (LA identity removed) Skills and Education Partnership 5 year strategy where apprenticeships heavily feature. From this there is an apprenticeship sub group.'*
 - *'We pay the NMW for apprentices and have little or no interest in the posts we have on offer either having no applicants or around 2 or 3 per post.'*

External Apprenticeships Development Activity

The internal activity to support Apprenticeships is further supported through work being carried out by officers in City Development and Cultural Services the highlights of which are detailed below.

City Development and Cultural Services (CDCS) in partnership with other PCC services have worked with organisations such as the National Apprenticeship Service, Jobcentre Plus, Chamber of Commerce, Express FM and the Alpha Network to inform businesses on the benefits of employing apprentices. Events have been run to bring together businesses with apprenticeship vacancies and young people who are NEET and other young people who would not consider an apprenticeship as their next step for education or employment. The next "Future Portsmouth" breakfast briefing for businesses is taking place at the Marriot Hotel on 6 March 2015 with keynote speaker, Kathy Wadsworth - Director of Regeneration at Portsmouth City Council.

CDCS bid for forty-eight Internships for the Portsmouth area for the Creative and Cultural Industries. The aim is that many will become apprenticeships in the medium term. This project is due to commence early in 2015 and will be managed by PCC.

A bid for Youth Engagement Funding has reached the second stage and two South East Hants bids have been brought together. PCMI works with Barnardos, Department for Work and Pensions and other funders to work with young people aged 16 plus who are NEET or who have other barriers to work. The funding will be provided through social impact bonds (SIBs) with investors funding innovative initiatives to prevent young people from becoming NEET (not in education, employment or training). Government will only pay if the initiatives are successful and lead to positive outcomes. The Youth Engagement Fund is jointly funded by the Cabinet Office, Department of Work and Pensions and the Ministry of Justice.

In September 2014 the Journey Back to Work jobs-fair was run in partnership with PCC, JCP, Learning Links and Cascades Shopping Centre that included 10 stands that had apprenticeship vacancies and provided Information, Advice and Guidance.

PCC has a license from the National Skills Academy for Construction to run the Client Based Approach for major development sites (over 30 dwellings, 1000 sq. metres or costing over £3.5M). An Employment and Skills Plan is created for each of these sites that require contractors and sub-contractors to recruit apprentices, promote NVQs and working with local organisations to recruit from the local labour force. Three Employment and Skills Plans (E&S Plans) have been agreed - First Wessex development at Hilsea (Old Hilsea Bus Depot), Churchill Retirement Apartments, Havant Road Drayton and Premier Inn in Isambard Brunel Road. An additional seven E&S Plans are programmed in during the early part of 2015

Officers in the Housing and Property service are also engaging their contractors in providing Apprenticeship Opportunities and have evidence that demonstrates the effectiveness of this approach.

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Agenda Item 10



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Employment Committee

Date of meeting: 4th November 2014

Subject: The Living Wage

Report by: Head of HR, Legal and Performance

Wards affected: N/A

Key decision: No

Full Council decision: No

1. Purpose of report

The purpose of this report is to appraise members of issues and risks associated with implementing the Living Wage and, subject to these, to seek members' approval to implement the Living Wage.

2. Recommendations

It is recommended that the Employment Committee:

- i. agree to implement the Living Wage as decided at Employment Committee in March 2014, with effect from 1st November 2014;
- ii. pay the Living Wage as a non-consolidated one-off payment in March 2015 for the initial launch and thereafter as a monthly non-consolidated payment (subject to recommendation (iii) below);
- iii. undertake an annual review of the Living Wage payment following the annual rate review by the Living Wage Foundation;
- iv. note the Legal Advice in Exempt Appendix A and the risks detailed in this advice;
- v. request the Head of HR Legal & Performance and the Head of Finance draw up detailed criteria for applying the Living Wage payment where, for example, staff members start, leave or change jobs during the year, or who hold multiple jobs with the council, or who have transferred to the council from other organisations under TUPE rules;
- vi. instruct Officers to continue working with Schools to ensure that, as far as possible, the Living Wage is also implemented in schools at the earliest possible opportunity.

3. Background

- 3.1 The fundamental purpose of paying the Living Wage rate is to lift people out of working poverty. The Living Wage Foundation cites a number of positive benefits associated with introducing the Living Wage including increased employee engagement and reduced sickness absence. In addition to these benefits, it will contribute to the city's Tackling Poverty Strategy which aims to alleviate poverty and break the cycle of deprivation.
- 3.2 In March 2014, Employment Committee agreed to pay the Living Wage rate to all staff paid on or below SCP 11, at base rate of pay (not to hours with enhancements), with effect from November 2014 .
- 3.3 Employment Committee also requested the Head of HR, Legal and Performance to continue to work closely with the Schools to encourage their implementation and to further investigate the implications for casual and agency workers.
- 3.4 A Notice of Motion regarding Living Wage was debated by Full Council on Tuesday 14th October 2014, with members agreeing to request this committee to reaffirm its commitment to the Living Wage.

4. Further Considerations

4.1 Schools

- 4.1.1 As members have been advised previously, schools Governing Bodies are entitled to make their own decisions in respect of paying the Living Wage to their non-teaching staff. However, those staff continue to be employees of the Council, and so it is preferable for all schools to agree to implement the Living Wage at the same time as the Council.
- 4.1.2. Further discussions have continued to date with the relevant Heads and Governing Bodies of Schools. The overall feedback from schools has been positive about the Living Wage concept in principle; however, there are three main areas of concern;
 - i. The Schools budgets have been set for the academic year 2014/15 and therefore they may not have sufficient budget to implement the Living Wage at the present time.
 - ii. The Schools have concerns about the future costs of the Living Wage and are exploring the impact on pay and grading for their staff for future years.
 - iii. Some Schools have expressed their concern that the budget impact of introducing the Living Wage will require savings in other areas of the school budget, possibly affecting staffing levels.
- 4.1.3. Whilst some schools have given positive "in principle" feedback the final decision on implementation is to be made by individual school's Governing Bodies. It has been requested that final decisions are made at the Full Governing Bodies meetings due to be held late in the autumn term.

- 4.1.4. A survey was recently sent to 56 Portsmouth Schools about the Living Wage. Seventeen schools responded and of these 9 stated that they are in favour of implementing the Living Wage rate, 3 do not want to implement and 5 schools are unsure, mostly due to financial concerns. Many of those schools who have not responded have not done so pending forthcoming meetings of governing bodies.
- 4.1.5. The Head of HR, Legal and Performance and relevant officers from the HR team will use all available means to encourage and support schools to adopt the Living Wage to align with the rest of Portsmouth City Council.

4.2 Casual Staff and Agency Workers

- 4.2.1 It is difficult to accurately predict the costs of paying Living Wage to Casual Staff and Agency workers as they are all employed on specific contracts and their employment relationship with the council is fundamentally different. Under the terms of their contracts they are required to work when business demand dictates and at the level of pay relevant to the duties undertaken. Financial predictions have therefore been based on the previous 6 months payments, as an illustration only.
- 4.2.2 There are concerns that paying the Living Wage to agency workers will inflate the cost to the service using the internal agency. This may lead service managers to use external temp agencies at a lower rate of pay, purely to keep costs down. This is unlikely to be in the council's best long-term interests.
- 4.2.3. Therefore, it is proposed to omit agency and casual staff from the Living Wage at the present time, but members are referred to the legal comments provided in Exempt Appendix A.

4.3 Lack of Pay Differentials

By paying the Living Wage to those employees on SCP 11 and below, pay differentials will decrease. Managers and Head Teachers have raised concerns that this may cause unrest amongst workers where supervisors are paid the same rate as those they are supervising. This may also cause recruitment problems to the higher graded posts. The impact of this is difficult to quantify at this stage, but will be kept under review.

4.4 Living Wage in other Local Authorities

As requested at the previous Employment Committee, the Head of HR, Legal and Performance has had discussions with other local authorities that have considered the Living Wage. It is understood that Southampton City Council has indicated its desire to implement the Living Wage, and it is included as part of a package of changes which, at the time of writing, are being consulted upon with staff. Hampshire County Council and West Sussex County Council have formally decided not to implement the Living Wage. Brighton and Hove City Council has adopted the

Living Wage and has implemented this as a consolidated payment, including all schools.

5. Reasons for recommendations

5.1 Implement the Living Wage with effect from 1st November 2014

Following the decision made at Employment Committee on 10th March 2014, and the recent Notice of Motion debated at Full Council, it is recommended that the Living Wage rate is adopted for Portsmouth City Council employees.

5.2 Payment method

- 5.2.1 It is recommended that, for the initial implementation, the Living Wage rate is paid as a one-off lump sum payment to eligible employees. This will need to be paid after the end of March 2015, for the period 1st November 2014 - 31st March 2015 (to take account of any changes in individuals pay/new starters/leavers, etc.).
- 5.2.2 Going forward, should members be minded to support the Living Wage in future years, it is recommended that the Living Wage rate is paid as a monthly non-consolidated payment to eligible employees. It is important to note that to pay a monthly non-consolidated payment will require development work to be undertaken to the Council's financial and payroll systems which will have time and potential cost implications that are not included in this report.

5.3 Undertake an annual review of the Living Wage before application

- 5.3.1 It is strongly recommended that the Employment Committee considers the impact of paying the Living Wage rate on an annual basis, taking into account the Living Wage Foundations' annually revised rate, national pay awards and the authority's budget pressures.
- 5.3.2. It is further recommended that any changes made to the Living Wage rate following the Living Wage Foundations annual review each November, are implemented in the following April.

5.4 Note the Legal Advice in Exempt Appendix A

There are clear risks attached to implementing the Living Wage across Portsmouth City Council particularly if not all schools chose to implement at the same time. The risks are clearly detailed in the Exempt Appendix A.

5.5 Continue working with Schools to ensure that the Living Wage is also implemented in schools at the earliest possible opportunity

It is recommended that the Employment Committee instruct Officers to use all available means to encourage and support Schools to adopt the Living Wage to align with the rest of Portsmouth City Council.

6. Equality impact assessment (EIA)

A full equality impact assessment has been undertaken. The main concerns are with regards to equal pay and this is set out in the Legal Implications. However, it is worth noting that if all PCC employees below the Living Wage are uplifted, the 89% of those benefiting would be female. If schools are not included, this will drop to approximately 60%.

7. Legal comments

See Exempt Appendix A

8. Head of finance's comments

- 8.1 Detailed below is the estimated financial appraisal to implement the Living Wage across Portsmouth City Council and the Schools.

| | November 14 - March 15 (5 months) | April 15 - March 16 (full financial year) |
|---------|--------------------------------------|--|
| PCC | £24,100 | £72,400 |
| Schools | £95,700 | £278,500 |

- 8.2 The financial predictions for 2015/16 take account of the proposed National Pay Award which is currently under negotiation with the Trade Unions. (Full details of the proposal can be found in Appendix B).
- 8.3 The estimated Living Wage rate is based on previous trends of inflation of 3% each year. The revised rate is to be announced in "Living Wage Week" 2nd - 8th November 2014.
- 8.4 The financial appraisal excludes casual and agency workers as mentioned in para 4.2.1. However, on average the increase to employ these staff when the Living Wage is implemented is estimated at 8% and 6% respectively for the period November 14 - March 15 and 12% and 9% respectively for the financial year 2015/16.
- 8.5 The financial predictions estimate the cost to the Council and individual schools to take all staff currently below the Living Wage (i.e. SCP1 - SCP11) to the level of Living Wage which is expected to rise to £14,758 p.a. for 2014/15 and £15,201 p.a. for 2015/16.
- 8.6 The type of staff who will be eligible are Domestic Assistants, Cleaners, Food Preparation Assistants, Porters/caretakers, Drivers, Gardeners, Passenger Assistants and Play Workers. In the Schools many are Lunchtime Assistants, Nursery staff and LSA's.

8.7 On the basis that this is paid as a separate allowance on base rate of pay the financial implications are as follows:

- i. The Council will need to consider an on-going uplift of salaries in line with any changes to the Living Wage rate which at present is projected to be 2% higher than the National Pay Award.
- ii. Any increase in costs will need to be funded from existing approved budgets. In respect of the individual schools, if the increase is agreed the additional costs will need to be met from existing annual budget allocations.

.....
Signed by:

Appendices:

Appendix A: Exempt Legal Implications

Appendix B: Proposed National Pay Awards

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:

Information from the LGA 10.10.14.**Pay proposals – subject to full consultation with councils**

- ☐ £1,065 (8.56%) on SCP5 with effect from 1 January 2015
- ☐ £1,000 (7.93%) on SCP6 with effect from 1 January 2015
- ☐ £800 (6.19%) on SCP7 with effect from 1 January 2015
- ☐ £550 (4.13%) on SCP8 with effect from 1 January 2015
- ☐ £350 (2.55%) on SCP9 with effect from 1 January 2015
- ☐ £325 (2.32%) on SCP10 with effect from 1 January 2015

- ☐ 2.20% on SCPs 11 and above with effect from 1 January 2015

- ☐ Removal of SCP5 with effect from 1 October 2015

- ☐ £325 non-consolidated payment on SCPs 5, 6 & 7 to be paid in December 2014 (pro-rated for part-time employees)

- ☐ £150 non-consolidated payment on SCPs 8, 9 & 10 to be paid in December 2014 (pro-rated for part-time employees)

- ☐ £100 non-consolidated payment on SCPs 11-25 incl to be paid in December 2014 (pro-rated for part-time employees)

- ☐ 0.45% of proposed new salaries on SCPs 26-49 incl, of which £100 to be paid in December 2014 and the remaining balance to be paid in April 2015 (pro-rated for part-time employees)

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