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# NOTICE OF MEETING

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## EMPLOYMENT COMMITTEE

TUESDAY, 16 JUNE 2015 AT 12.15 PM

## CONFERENCE ROOM B - CIVIC OFFICES

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### Membership

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

### Standing Deputies

Councillor Simon Boshier  
Councillor Aiden Gray  
Councillor Steve Hastings  
Councillor Hugh Mason  
Councillor Lynne Stagg  
Councillor Sandra Stockdale  
Councillor Steve Wemyss

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

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

## AGENDA

**1 Apologies for Absence**

**2 Declarations of Members' Interests**

**3 Minutes from meeting held on 3 March 2015 (Pages 1 - 6)**

**RECOMMENDED that the Minutes of the meeting of the Employment Committee held on 3 March 2015 be confirmed and signed by the Chair as a correct record.**

**4 Contractual Notice Period Arrangements (Pages 7 - 12)**

Members have asked for consideration to be given to revising the current policy for applying contractual notice periods when a member of staff leaves the organisation. Specifically, members have asked whether Pay in Lieu of Notice (PILON) should be the default position in the event of senior officers leaving the organisation through redundancy.

**RECOMMENDED that Members**

- i) Note the impacts detailed in section 4 of the report, and the legal implications detailed in section 6, and in light of these to maintain the current position whereby PILON remains available as an option that can be exercised when circumstances make it appropriate to do so**
- ii) Instruct the Chief Executive and/or Director of HR Legal and Procurement to consult with the Chair of this Committee whenever a chief officer departs the council, to decide whether PILON should be applied in that case. The relevant policy to be amended accordingly.**

**5 Sickness Absence Update (Pages 13 - 24)**

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

**RECOMMENDED that**

- (1) Employment Committee continue to monitor sickness absence, on a quarterly basis, and to ensure appropriate management action is taken to address absenteeism.**
- (2) Public Health co-ordinate the flu jabs vaccination campaign for 2015 to encourage the uptake of vaccinations, especially where Directorates have contact with NHS defined risk groups or have particularly low uptake in 2014. The cost of vaccinations to be covered by Directorates.**

**6 Statutory Dismissal Procedures - verbal update**

**7 Exclusion of Press and Public**

That in view of the contents of the following item 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 Part 1 of Schedule 12A to the Local Government Act, 1972”

The public interest in maintaining the exemption must outweigh the public interest in disclosing the information.

Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012, regulation 5, the reasons for exemption of the listed items is shown below.

Members of the public may make representation as to why the item should be held in open session. A statement of the Council’s response to representations received will be given at the meeting so that this can be taken into account when members decide whether or not to deal with the item under exempt business.

(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 Senior Local Democracy Officer at the conclusion of the meeting for shredding.)

<u>Item</u>	<u>Exemption Para No.*</u>
8 Living Wage (exempt appendix 3) 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.

8 Living Wage (Pages 25 - 32)

(NB Appendix 3 of this report is EXEMPT. 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 provide the Employment Committee with an update following the implementation of a Living Wage for employees of the council.

**RECOMMENDED  
that the Employment Committee:**

- i) Notes the progress made to implement the Living Wage, particularly with regards to schools.**
- ii) Agrees a report is presented to Employment Committee (following Living Wage week in November 2015), with the purpose of providing further information and recommendations about the Living Wage Allowance.**

**9 Date of Next Scheduled Meeting**

The date of the next scheduled meeting is 15 September 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.

# Agenda Item 3

DRAFT

## EMPLOYMENT COMMITTEE

MINUTES OF THE MEETING of the Employment Committee held on Tuesday, 3 March 2015 at 12.15 pm in the Executive Meeting Room, The Guildhall, Portsmouth.

### Present

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

### Officers Present

David Williams, Chief Executive  
Michael Lawther, City Solicitor  
Peter Baulf, Legal Team Manager  
Jon Bell, Head of HR, Legal & Performance

#### **12. Apologies for Absence (AI 1)**

There were no apologies for absence.

#### **13. Declarations of Members' Interests (AI 2)**

There were no declarations of members' interests.

#### **14. Minutes of Meetings held on 6 January and 19 February 2015 (AI 3)**

**RESOLVED** that the minutes of the meetings of the Employment Committee held on 6 January and 19 February 2015 be confirmed and signed by the Chair as correct records.

#### **15. Performance Development Review and Mandatory Training Requirements (AI 4)**

(TAKE IN REPORT)

Jon Bell introduced the report which was to update members following the Employment Committee of 6 January 2015 on the work being undertaken to increase the uptake of Performance Development Reviews (PDRs) and

provide further details of the new suite of training courses for managers. The report also provides guidance on key principles for inclusion in the process for the Chief Executive Officer's PDR. Appendix 1 of the report showed the percentage of staff in each service who had had a PDR in the last 12 months and the percentage who found it meaningful.

During discussion the following matters were raised:-

- Members noted that 5.3 of the report referred to a meeting that had taken place with trade union colleagues to talk through the process and rationale behind PDRs to further support uptake. Mr Richard White of UNITE said that members often regarded the PDR as a tick box exercise and felt that nothing changes as a result of it. He said he felt that the template looked better than the previous one but did not feel that members of staff should take full responsibility for their training needs. He also said that some staff do not have PCs which is a problem.

Members discussed whether there were any incentives that could be offered to help improve the perceived value of PDRs for example a certificate of recognition. The Chair advised that she had written to people who had not been off sick all year and to those with long service or who had otherwise performed exceptionally - for example in examinations.

It was also suggested that perhaps the Lord Mayor could be involved more in recognising staff for their achievements.

- It was noted that just under half of those who completed the recent employee opinion survey did not find PDRs meaningful. Members were advised that attempts were being made to tailor PDRs to staff needs as some parts of the business required simpler PDRs than in others. Members were also advised that the completion of PDRs in this authority was low by comparison with other local authorities but this could be explained by other local authorities putting greater emphasis on the mandatory aspect of PDR completion. Higher compliance did not necessarily mean that the PDR was more meaningful. This was illustrated in the statistics in Appendix 1 in that although Revenues and Benefits PDR take-up was 89.6%, only 32.6% found their PDR to be meaningful.
- A query was raised about whether it was always the same 33% who did not complete PDRs but this had not been analysed service by service so an answer could not be provided.
- The Chair commented that in relation to item 6 of the report - Chief Executive Officer's PDR - this had now been done and had involved input from all the political group leaders.
- Members discussed whether or not the Chief Executive's PDR should be externally facilitated. Members felt that this would be a decision for whoever was running the administration at the time but it was noted that it could be quite expensive and may not represent the best use of money at the current time. However, this could be revisited as appropriate.

- With regard to management training, details of the newly developed suite of management courses are attached at Appendix 2 to the report. Members were advised that further updates would be provided in due course to advise about the take up and effectiveness of this training.

**RESOLVED that Members**

**(1) Note the work being undertaken to support services to increase the uptake and meaningfulness of PDRs;**

**(2) Note the new suite of management training courses (Appendix 2 of the report); and**

**(3) Note the recommendations for the PDR process for the Chief Executive Officer and Directors.**

**16. Sickness Absence Update (AI 5)**

(TAKE IN REPORT)

The Chair invited Mr Richard White of UNITE to make his deputation which he then gave. Although largely in support of the recommendations, he raised some specific concerns that were dealt with during the meeting.

- Concerns about corporate sickness absence targets becoming trigger points.
- The increase in ill health capability dismissals.
- The Fit for Work scheme.

The Chair thanked Mr White for his deputation.

Mr Jon Bell introduced the report advising that its purpose was to update and inform Employment Committee on actions being taken that have an effect on the levels of sickness absence across services.

Many services are below the current corporate sickness absence target of 8 days per employee per year and his preferred approach was to keep the 8 days as a benchmark but continue to work with those services where sickness absence was high with a view to bringing it down.

With regard to the Fit for Work scheme, he said this was a government scheme and was aimed more at smaller organisations. He said it was not intended to replace PCC's Occupational Health provision.

During discussion the following matters were raised:-

- The Chair thanked HR for all the work that had been done on sickness absence and said that a massive improvement had been made since

2008. She said Mr Richard White's comments on flexibility in encouraging people to return to work was a sensible approach and should be rolled out across services. She felt that the sickness target should be reduced from 8 days to 7 days as this helped concentrate services' efforts to reduce sickness absence. She recognised that this was not a perfect formula but reducing the target in the past had produced results.

- Councillor John Ferrett felt that the target should remain as it was in his view as a formal reduction was likely to affect the trigger points for the formal process leading ultimately potentially to dismissal. He said that the sickness absence levels were reducing already.
- Councillor Sanders said that in the past financial penalties had been imposed on services where sickness absence targets were not met. He said that he was concerned to ensure that services realised that there was no longer a financial penalty.
- Councillor Stagg suggested that where higher sickness levels were noticed, perhaps staff themselves should be asked what could help mitigate the effects. For example rotating the type of work being done. Jon Bell said that he recognised that the working conditions for some employees was a contributory factor - for example those working outside, or in regular face to face contact with clients.
- With regard to Fit for Work, Mr Bell advised that Health Management Ltd has been appointed to deliver this programme in England and Wales on behalf of the UK Government. Fit for Work is a free service funded by the Government which is aimed to help employees stay in or return to work. It includes two elements - advice and referral. The new service is designed to complement not to replace existing Occupational Health provision.

With regard to a query about whether using Fit for Work instead of the current Occupational Health provision would save money, Mr Bell said the two services were not the same but there may be some instances in which a Fit for Work referral could be used instead of an Occupational Health referral. The City Solicitor said he would advise caution with that approach. He further advised that PCC was looking at other means of provision with its partners for example Solent.

Councillor Gerald Vernon-Jackson felt that PCC should look at how Fit for Work works for other authorities so that PCC could then benefit from their experience. In the meantime he suggested that no changes were made to PCC's Occupational Health provision.

- Concern was expressed about 4.10 of the report concerning ensuring that staff who work outside the Civic Offices are made aware of all the services provided to staff and managers and for them to have access to them. It was suggested that some services from staff could be provided from other locations away from the Civic Offices.



Members discussed the recommendations and wished to make clear that no financial penalty would be imposed on those services who did not achieve the sickness absence targets. Members also wished to explore and report back on specific strategies for out of office services.

It was proposed by Councillor Donna Jones seconded by Councillor Luke Stubbs that three new recommendations be introduced as follows:-

- To reduce the corporate sickness absence target to 7 days per employee per year, on the proviso that there are no financial penalties for services that do not achieve this.
- To continue focussing on maximising employee attendance.
- To explore and report back on specific strategies for "out of office" services.

Upon being put to the vote the revised recommendations were carried.

#### **RESOLVED**

**(1) to continue to monitor sickness absence on a quarterly basis and to ensure appropriate management action is taken to encourage attendance;**

**(2) to reduce the corporate sickness absence target to 7 days per employee per year, on the proviso that there are no financial penalties for services that do not achieve this;**

**(3) to continue focussing on maximising employee attendance;**

**(4) to explore and report back on specific strategies for "out of office" services; and**

**(5) to note the introduction of the "Fit for Work" scheme.**

#### **17. Senior Management Restructure (AI 6)**

The Chair said that at the last meeting the decisions around the Integrated Commissioning Unit had been deferred to this meeting to allow discussion with the Clinical Commissioning Group. The Chair advised that a meeting with Dr Jim Hogan and Innes Richens had taken place at the conclusion of the meeting of the Health and Wellbeing Board. At this meeting the proposals were discussed and agreement had been reached. As a result of this the suggestion was that the ICU headed by Preeti Sheth remained as it was and becomes a director post. PFI moves to the procurement team and a new PFI team would be recruited. She advised that money

was already available for this. The scope of the Procurement Manager post could then be looked at in light of this decision.

Councillor Vernon-Jackson said that he did not disagree with this and thought that the relationship between Health and Social Care would develop and change in the future. He felt it was realistic for the moment though. He also suggested that the Director of Property title should be changed to the Director of Property and Housing. These changes were proposed by Councillor Donna Jones seconded by Councillor Vernon-Jackson.

**RESOLVED that**

- 1. Integrated Commissioning Unit remains as it is and is a director post.**
- 2. PFI to move into Procurement team (with a new PFI team to be recruited under Procurement)**
- 3. "Director of Property" to be re-named "Director of Property and Housing"**

Members were advised that there was now no need for the meeting that had been tentatively arranged for 10 March as the issue had been resolved today.

The meeting concluded at 1.30 pm.

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Councillor Donna Jones  
Chair

# Agenda Item 4



Portsmouth  
CITY COUNCIL

Agenda item:

**Title of meeting:** Employment Committee  
**Date of meeting:** 16<sup>th</sup> June 2015  
**Subject:** Contractual Notice Period Arrangements  
**Report by:** Jon Bell, Director of HR, Legal and Procurement  
**Wards affected:** None  
**Key decision:** No  
**Full Council decision:** No

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## 1. Purpose of report

- 1.1 Members have asked for consideration to be given to revising the current policy for applying contractual notice periods when a member of staff leaves the organisation. Specifically, members have asked whether Pay in Lieu of Notice (PILON) should be the default position in the event of senior officers leaving the organisation through redundancy.

## 2. Recommendations

Members are recommended to:

- i) Note the impacts detailed in section 4 of this report, and the legal implications detailed in section 6, and in light of these to maintain the current position whereby PILON remains available as an option that can be exercised when circumstances make it appropriate to do so
- ii) Instruct the Chief Executive and/or Director of HR Legal and Procurement to consult with the Chair of this Committee whenever a chief officer departs the council, to decide whether PILON should be applied in that case. The relevant policy to be amended accordingly.

## 3. Background

- 3.1 The current Statement of Particulars for all employees allows for three different options to exit an employee from the organisation, depending on the circumstances. The three options are:

- i) the employee works their notice period;
- iii) the employee is placed on garden leave throughout their notice period and;
- iv) the employee leaves immediately and is paid in lieu of notice (PILON).

- 3.2 The current contractual arrangements give the Council maximum flexibility to manage employees through their notice period, whilst ensuring there is no breach of contract.
- 3.3 In most cases, employees are required to work through their notice period. This allows the following benefits to PCC and the employee:
- i) It provides value for money for the taxpayer, as the employee continues to provide the service for which they are being remunerated.
  - ii) It allows for the employee to provide an effective handover to colleagues, ensuring a more efficient service for customers.
  - iii) In a redundancy situation, it enables the employee to fully engage with the redeployment process, thereby mitigating the number of redundancies the council makes.
  - iv) It allows the employee to maintain continuity of service, in the event that they find another job in local government.
- 3.4 On occasions, employees have been put on "garden leave" for their notice period. This practise is most often used in the private sector, where a senior or key employee resigns in order to join a competitor. However, this is also used in a redundancy situation where the employee's work no longer exists following a re-organisation.
- 3.5 On rare occasions, PILON is paid to an employee for the period of his or her notice. This requires the employee to cease work immediately. This is most commonly used in redundancy cases where there has already been consultation prior to the dismissal. It is also used where there is a valid business reason for requiring the employment to be terminated immediately.
- 4. Implications of adopting PILON as the default contract position**
- 4.1 The positive impact of having PILON as a default position ensures the protection of PCC's intellectual property and protects sensitive and confidential data. In addition, the employees' exclusion from the workplace means that their power and influence within the organisation are effectively terminated.
- 4.2 Conversely, this could be seen as an inefficient use of tax payers' funds, as the employee is compensated for full pay and benefits equivalent to that as if working their notice.
- 4.3 There is no opportunity for the employee to give an effective handover, which could have a resultant impact on service delivery and on the employee team still intact.
- 4.4 There would be no opportunity for the employee to engage with the redeployment process and by setting PILON as the default option, the redeployment policy would effectively be void. This would put PCC at risk for

failing to mitigate redundancies, a requirement under Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992.

- 4.5 Employees in the LGPS, nearing retirement age may be adversely affected as they would not be able to continue to pay pension contributions or AVC's, which would have continued if the employee was able to work their notice period or if placed on garden leave.
- 4.6 Additionally, by terminating employment with immediate effect, the employee may suffer detriment should they manage to gain alternative employment with an organisation under the Redundancy Modification Order, thereby not allowing that person continuous local government employment.

## **5. Reasons for recommendations**

- 5.1 In reality, due to the nature of Local Government employment, the risk of employees taking confidential or commercially sensitive information with them to their next employer is low. Therefore, the need to utilise either the PILON or garden leave clause, in these circumstances, is rare.
- 5.2 The current contractual arrangement allows for different circumstances to be managed effectively on a case by case basis, enabling the manager to make a judgement as to the most appropriate way for the employees' notice period to be managed.

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

A preliminary Equality Impact Assessment has been completed.

## **7. Legal Implications**

- 7.1 The use of a PILON clause in any contract of employment is one that should ordinarily be used if an immediate exit of the employee is required. It is good practice to retain the option (to be exercised by the employer on a case by case basis) to terminate the contractual relationship on an immediate basis.
- 7.2 Clauses of this type should not be implied and if the option is to be exercised the employee should be told in writing that the option is being used and that the employee is receiving all their entitlements at the point of termination, thereby avoiding any wrongful dismissal claims.
- 7.3 With respect to amendment of any existing contracts caution should be used to avoid disputes arising and variation leading to any allegations that the amendment is enforced as that could lead to a breach enabling the employee to resign claiming a fundamental breach of a constructive nature.
- 7.4 The correct use of a PILON clause has the advantage of enabling the post termination obligations in the contract (eg restraints, covenants and restrictions) to be retained and operational.

7.5 The actual length of notice is dependent upon the contract and the statutory position in that the maximum notice is 12 weeks.

7.6 The exercise of a PILON clause is not to be considered or confused with a summary dismissal situation.

**8. Finance Comments**

8.1 HMRC advise that any reference to PILON in an employee's contract defines the payment as 'earnings' and therefore liable to tax and employers NI. As PCC contracts of employment already refer to PILON as an option, making this the default position does not change the financial liability.

8.2 The payment of PILON does have a small financial impact to PCC in terms of the loss of interest arising from the earlier payment of salary but, at current interest rates, this is likely to be a negligible amount.

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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:

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# Agenda Item 5



Agenda item:

**Title of meeting:** Employment Committee  
**Date of meeting:** 16<sup>th</sup> June 2015  
**Subject:** Sickness Absence - Quarterly Report  
**Report by:** Jon Bell - Director of HR, Legal & Procurement  
**Wards affected:** N/A  
**Key decision:** No  
**Full Council decision:** No

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## 1. Purpose of report

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

## 2. Recommendations

- **To continue to monitor sickness absence, on a quarterly basis, and to ensure appropriate management action is taken to address absenteeism.**
- **Public Health to co-ordinate the flu jabs vaccination campaign for 2015 to encourage the uptake of vaccinations, especially where Directorates have contact with NHS defined risk groups or have particular low uptake in 2014. The cost of vaccinations to be covered by Directorates.**

## 3. Background

- 3.1 At the last Employment Committee the corporate target was revised to an average of 7 days per person per year.
- 3.2 In the period since the last quarterly update in March 2015 the level of sickness absence has increased from 7.88 to 8.73 average days per person per year. This is against the new corporate target of an average 7 days per person per year. Members will understandably be concerned by the increase over the last quarter, which represents a change from the overall trend over recent months.
- 3.3. Absence levels by Directorates for the period from 01 June 2014 to 31 May 2015 are attached in Appendix 1.

3.4 As a result of the Senior Management Restructure, 14 Directorates have replaced 16 Services on 01 April 2015. Seven (including schools) of these Directorates are over the corporate target of an average 7 days per person per year. Four Directorates are over an average 10 days per person per year.

Due to the realignment and merging of previous Services into Directorates it is not possible to make like for like comparisons for all areas. However, it is clear that there have been significant increase in long-term absence in key areas, such as Adults Services and Children's Social care

3.5 Analysis of data indicates that over the last quarter there has been an increase in the amount of long term absence from 4.02 to 4.70 average days per person per year. However, over the last two years, long term absence has reduced from 5.88 to 4.70 average days per person per year. Short term absence has been stable at around 2.57 average days per person per year over the same period. A summary of the analysis has been included in Appendix 2.

3.6 There is no single event, such as an epidemic, or a number of singular events that have caused the increase in absence levels over the last quarter. So guiding members on specific interventions to effect levels of absence would not be objective at present. Further analysis is being carried out.

3.7 A table of reasons for absence over the last three years is included in Appendix 3. The analysis of the data indicates that the main reasons for absence have not changed dramatically, with the three main reasons; anxiety, stress and psychological, musculoskeletal and colds, flu and virus, accounting for 52-55% of all absences in each of the last three years.

3.8 HR continues to support managers with their efforts to maximise attendance by providing absence data and access to a responsive Occupation Health Service, as well as support with formal action meetings. HR are working directly with managers in those areas where sickness levels are increasing to understand the reasons and carry out targeted interventions where appropriate.

#### **4. Occupational Health**

##### **4.1 Fit for Work**

The Government has introduced Fit for Work to provide an occupational health assessment and general health and work advice to employees, employers (mainly small and medium sized organisations) and General Practitioners (GPs) to help individuals stay in or return to work.

The latest indications are the rollout of Fit for Work will start in the Wessex area, which includes Portsmouth, from the autumn of 2015. Therefore at this time it is not possible to comment on how the Fit for Work Scheme will complement, rather than replace, the existing occupational health provision and will fill the gap in support where that currently exists.

## **5. Health and Well Being**

### **5.1 Flu Jabs**

NHS Choices have indicated that over time, protection from the injected flu vaccine gradually decreases and flu strains often change. Therefore, new flu vaccines are produced each year which is why people are advised to have the flu jab every year.

Public Health co-ordinated the flu jabs vaccination campaign for 2014. The cost of vaccinations has been covered by Services.

Public Health conducted an internal flu jab survey in January 2015 to gauge how employees have or have not responded to the previous offer of free flu vaccinations. A summary of the findings from the survey are attached in Appendix 2

We have made recommendations to continue with the offer of free flu vaccinations in 2015 and on how the Council may improve on the uptake of flu jabs in 2014.

## **6. Reasons for recommendations**

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

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

A preliminary Equality Impact Assessment has been completed.

## **8. Legal implications**

There are no immediate legal implications arising from this report.

## **9. 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.

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Signed by:

**Appendices:**

Appendix 1: Sickness Absence by Directorate

Appendix 2: Analysis of levels of absence year by year

Appendix 3: Summary of reasons for absence over the last three years

Appendix 4: Summary of internal survey on flu jabs

**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
NHS Choices - The Flu Jab	<a href="http://www.nhs.uk/conditions/vaccinations/pages/flu-influenza-vaccine.aspx">http://www.nhs.uk/conditions/vaccinations/pages/flu-influenza-vaccine.aspx</a>

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

.....  
Signed by:

## Appendix 1: Sickness Absence by Directorate

### Sickness Absence by Directorates - 01 June 2014 to 31 May 2015

Directorate	Average Headcount	Working Days Lost to Sickness	Total		Long Term		Medium Term		Short Term		Average Number of Occasions per Person per year	Average per Person per Year (Previously Reported)
			% Working Days Lost To Sickness	Average per person per year	Working Days Lost	Average Per Person Per Year	Working Days Lost To Sickness	Average Per Person Per Year	Working Days Lost To Sickness	Average Per Person Per Year		
Adult Services	789.5	10067.63	6.72%	12.75	5869.29	7.43	1745.35	2.21	2452.99	3.11	1.83	N/A
Children's Services and Education	246	1768.50	3.68%	7.19	950.00	3.86	178.61	0.73	639.89	2.60	1.54	N/A
Children's Social Care	366	4091.22	5.20%	11.18	2521.85	6.89	590.96	1.61	978.41	2.67	1.66	N/A
Community and Communication	233.5	2553.83	5.36%	10.94	1411.08	6.04	461.27	1.98	681.49	2.92	1.80	N/A
Culture and City Development	227.5	845.65	2.07%	3.72	254.00	1.12	128.49	0.56	463.16	2.04	1.19	N/A
Executive	21	35.43	0.64%	1.69			15.40	0.73	20.03	0.95	0.95	N/A
Finance and Information Services	289.5	1563.78	2.39%	5.40	640.34	2.21	284.53	0.98	638.91	2.21	1.36	N/A
Human Resources, Legal and Procurement	153.5	539.18	1.57%	3.51	234.00	1.52	79.00	0.51	226.18	1.47	0.91	N/A
Integrated Commissioning	34	95.54	1.31%	2.81	0.00	0.00	12.50	0.37	83.04	2.44	1.21	N/A
Portsmouth International Port	84	860.50	4.19%	10.24	526.00	6.26	133.00	1.58	201.50	2.40	1.30	N/A
Property and Housing	866.5	7894.49	4.05%	9.11	3982.91	4.60	1338.64	1.54	2572.95	2.97	1.76	N/A
Public Health	55.5	355.15	3.09%	6.40	124.39	2.24	54.76	0.99	176.01	3.17	2.09	N/A
Regulatory Services, Community Safety and Troubled Families	96	536.72	2.57%	5.59	197.20	2.05	113.96	1.19	225.56	2.35	1.25	N/A
Transport, Environment and Business Support	404.5	3452.40	4.90%	8.53	2016.12	4.98	603.89	1.49	832.39	2.06	1.28	N/A
PCC Schools	2544.5	21112.25	4.39%	8.30	10340.04	4.06	3181.39	1.25	7590.81	2.98	1.82	N/A
<b>Total (Including PCC Schools)</b>	<b>6362.00</b>	<b>55772.26</b>	<b>4.37%</b>	<b>8.77</b>	<b>29067.21</b>	<b>4.57</b>	<b>8921.74</b>	<b>1.40</b>	<b>17783.32</b>	<b>2.80</b>	<b>1.69</b>	<b>N/A</b>
Internal Agency (Agency Workers)	163	87.81		0.54	0.00	0.00	16.01	0.10	71.80	0.44	0.26	0.71
<b>**Total (Excluding PCC Schools)</b>	<b>3980.50</b>	<b>34747.83</b>	<b>4.36%</b>	<b>8.73</b>	<b>18727.16</b>	<b>4.70</b>	<b>5756.36</b>	<b>1.45</b>	<b>10264.30</b>	<b>2.58</b>	<b>1.54</b>	<b>7.88</b>

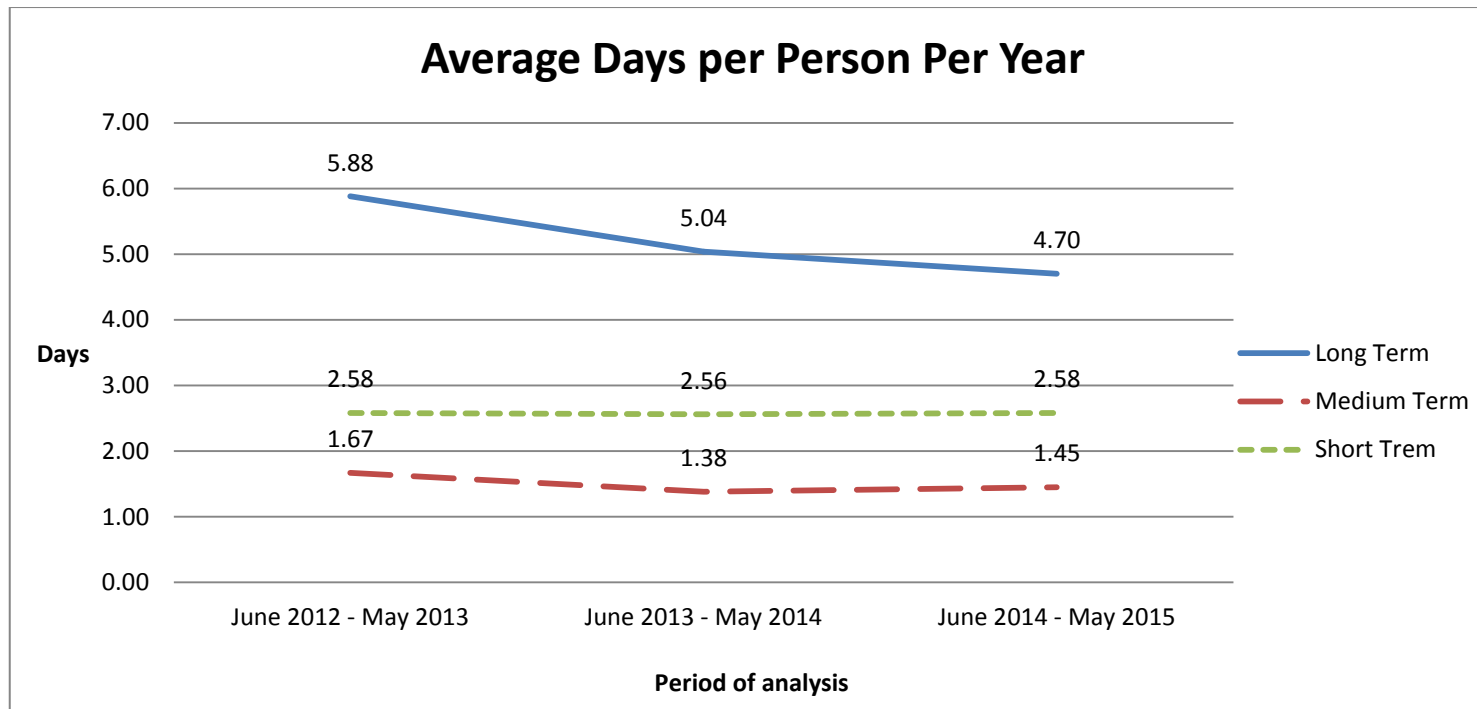
Definition of periods of absence

Long-term absence: 21 days or more, Medium Term absence: 8 to 20 days, Short Term absence: 7 days or less

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## Appendix 2: Analysis of levels of absence year by year

### Analysis of changes in absence levels over the past three years by types of absence



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## Appendix 3: Summary of reasons for absence over the last three years

### Summary of reasons for absence over the last three years

Absence Reason	01/06/2014 to 31/05/2015		01/06/2013 to 31/05/2014		01/06/2012 to 31/05/2013	
	% of Total Working Days Lost	Rank	% of Total Working Days Lost	Rank	% of Total Working Days Lost	Rank
Psychological	21.79%	1	19.94%	2	21.40%	2
Musculoskeletal	20.25%	2	21.27%	1	22.13%	1
Virus	12.60%	3	11.10%	3	14.17%	3
Gastrointestinal	10.58%	4	10.17%	4	10.61%	4
Cancer and Tumours	5.01%	5	5.28%	5	4.79%	5
Respiratory Problems	4.75%	6	5.24%	6	4.34%	6
Unknown/Not Recorded	4.59%	7	4.54%	7	3.43%	10
Neurology/Nervous System	4.44%	8	4.33%	8	3.84%	8
Dental/Oral	4.18%	9	4.28%	9	3.46%	9
Gynaecological	3.13%	10	3.89%	10	3.95%	7
Genitourinary	1.65%	11	1.76%	11	1.41%	12
Pregnancy Related	1.50%	12	1.32%	13	1.28%	13
Family Bereavement	1.11%	13	0.53%	19	0.98%	14
Eye Problems	1.11%	14	0.92%	16	0.68%	16
Heart Disorders	1.08%	15	1.75%	12	1.53%	11
Endocrine/Hormonal	0.68%	17	1.20%	14	0.12%	19
Infectious Disease	0.37%	18	0.67%	17	0.45%	18
Accident	0.22%	19	1.16%	15	0.82%	15
Substance Misuse	0.17%	20	0.01%	21	0.00%	21

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## **Appendix 4: Summary of internal survey on flu jabs**

### **Staff Flu Vaccination Survey - January 2015**

#### **Background**

The survey was undertaken by Public Health, using survey monkey, as part of the Immunisation and Vaccination work stream.

The purpose of the survey was to find out; who had heard of the offer of free flu vaccinations for staff, if they had taken advantage of this opportunity (and if not, why), where they went to have their vaccination, as well as if they had any suggestions or comments.

The flu vaccination survey was completed by 254 members of staff. Staff members from Transport and Environment, Housing and Adult Social Care were the highest respondents to the survey.

#### **Summary of findings**

##### **Planning**

A decision needs to be made on whether flu vaccination is offered across the Council in 2015/16 and what the funding source will be before the vaccination campaign in July in order to give enough time for planning the campaign and developing communications materials

##### **Communications**

Promotional materials need to be developed to help dispel some of the persistent myths surrounding flu vaccination, including evidence of effectiveness of the vaccine as well as addressing the issue of side effects.

##### **Administration**

Investigate methods to enable staff at outlying offices to more easily obtain vaccination which may include need for provision of a mobile clinic.

##### **Uptake data**

Investigate a process whereby staff members can inform us that they have received vaccination from their GP or other sources so that the true vaccination rates for Council staff can be monitored.

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# Agenda Item 8



Agenda item:

**Title of meeting:** Employment Committee  
**Date of meeting:** 16<sup>th</sup> June 2015  
**Subject:** Living Wage  
**Report by:** Director of HR, Legal and Procurement  
**Wards affected:** None  
**Key decision:** No  
**Full Council decision:** No

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## 1. Purpose of report

- 1.1 The purpose of this report is to provide the Employment Committee with an update following the implementation of a Living Wage for employees of the council.

## 2. Recommendations

It is recommended that the Employment Committee:

- i) Notes the progress made to implement the Living Wage, particularly with regards to schools.
- ii) Agrees a report is presented to Employment Committee (following Living Wage week in November 2015), with the purpose of providing further information and recommendations about the Living Wage Allowance

## 3. Background

- 3.1 The Employment Committee agreed to implement a non-consolidated Living Wage Allowance for all employees\* paid below £7.85 per hour, with effect from 1<sup>st</sup> November 2014. It was agreed that this would be paid as a one-off lump sum payment in March 2015 for the initial launch and thereafter as a monthly non-consolidated payment (a supplement on top of basic pay), subject to annual review. (\*excluding apprentices, casual and agency workers)
- 3.2 Further, it was agreed that the Head of HR, Legal and Procurement would continue to work with the Schools, to strongly encourage them to adopt the Living Wage Allowance.

#### **4. Implementation of Living Wage in Schools**

4.1 At the time of the decision to implement the Living Wage, it was unclear whether schools (who are able to determine such matters for themselves) would choose to implement it too. Since that time, it has been possible to establish that, with effect from 1<sup>st</sup> April, 37 schools have adopted the Living Wage Allowance, 9 schools did not adopt the Living Wage Allowance at this time but 7 have committed to adopting in the future with 2 wanting to undertake further cost analysis before committing to implementation at any specified date.

#### **5. Impact of Implementing the Living Wage Allowance**

##### **5.1 Costs for PCC**

5.1.1 For the period of 1<sup>st</sup> November 2014 - 31<sup>st</sup> March 2015, 234 staff members received the lump sum Living Wage allowance, at a total cost of £46,354 (gross), £52,371 including on costs.

5.1.2 From 1<sup>st</sup> April 2015, 175 staff members continue to receive the Living Wage allowance, paid as a monthly non-consolidated payment. The total cost for April was £6,812 (gross) and £7,709 including on costs. This gives an estimated annual cost of £81,744 (gross) and £92,508 including on costs.

##### **5.2 Costs for Schools**

5.2.1 The total number of school employees receiving the Living Wage Allowance is 583 at a total cost of £13,783 (gross) and £15,114 including on costs. This gives an estimated annual cost of £165,396 (gross) and £181,368 including on costs.

5.2.2 Appendix 1 shows the costs of the Living Wage Allowance broken down into costs per Directorate/School.

5.2.3 Appendix 2 shows the type of job roles receiving the Living Wage Allowance.

##### **5.3 Impacts and Outcomes of Implementing the Living Wage**

5.3.1. At the time of writing, it is too early to measure all quantifiable impacts of implementing the Living Wage for the organisation. However, some of the expected positive outcomes are listed below:

- It is impossible to say whether the Living Wage has had a direct impact on the ability to recruit staff at the levels affected by Living Wage. However, the council does not currently experience any difficulties recruiting staff at that level. Some schools suggested that the erosion of pay differentials may cause retention difficulties in some areas, but once again it is too early to say whether this becomes a reality.
- As increasing numbers of councils sign up to the Living Wage, this council is no longer in the position of being "left behind" with this trend.

- It is too early to ascertain whether the introduction of Living Wage has had an impact on welfare dependency. However, anecdotally, there is some evidence of staff members no longer being entitled to Housing Benefit as a result of the Living Wage.
- The introduction of the Living Wage addressed an issue which Trade Unions had actively campaigned for locally and nationally. However, unions have expressed their desire to see the Living Wage fully consolidated into the council's pay structure rather than being paid as an allowance.
- Increased workplace morale will be measured as part of the next Employee Opinion Survey.

5.3.2 In addition to those listed above, implementation of the Living Wage significantly contributes to the city's Tackling Poverty Strategy which aims to alleviate poverty and break the cycle of deprivation.

5.3.3. Quantifiable data will be collected over the subsequent months.

## **6. Future Actions**

6.1 The Living Wage Foundation reviews the Living Wage rate annually in November. When the new rate is announced, the Employment Committee will be advised of the cost of continuing to pay the Living Wage and invited to consider whether to continue with this policy. It is envisaged that members will be asked to consider the following options:

- (i) Cease to pay the Living Wage
- (ii) Continue to pay the Living Wage as an allowance, at the rate set by the Living Wage Foundation
- (iii) Consolidate the Living Wage into the Council's pay structure
- (iv) Continue to pay the Living Wage, but at a local "Portsmouth Living Wage" rate that may be lower (or higher) than the national level

6.2 Members should note that the LGA are reviewing the current state of national bargaining and considering if it is appropriate to remove the bottom salary scale points to ensure that all staff are paid the Living Wage rate through the NJC national pay agreements. This matter is still being considered and further guidance from the LGA is awaited.

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

An Equality Impact Assessment is not required for this report.

## **8. Legal comments**

Extensive legal advice was provided to members at the time of the original decision to implement the Living Wage. This is reproduced at Appendix 3 for members' information.

## **9. Head of finance's comments**

- 9.1 The relevant financial implications are contained within the body of the report and appendices.
- 9.2 As commented in previous reports, the Living Wage Allowance is paid as a supplement/allowance and any increase in costs will need to be funded from existing approved budgets.

.....  
Signed by:

**Appendices:**

- Appendix 1: Cost Analysis by Directorate/School
- Appendix 2: Type of Roles receiving Living Wage
- Appendix 3: Exempt Legal Comments

**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:



**Actual Cost by Service**

Service	Living Wage Allowance			Lump Sum Payment (Nov 14-Mar 15)		
	No of E'ees	Gross Cost (£) for month of April 15	Cost inc. on costs (£) for month of April 15	No of E'ees	Gross Cost £	Cost inc. on costs £
Adult Social Care	62	1,608	1,785	63	10,456	11,600
Children's social care and safeguarding	2	70	82	2	435	509
City Development and Cultural Services	4	99	119	6	890	1,061
Corporate Assets, Business and Standards	6	746	859	6	3,909	4,488
Customer, Community and Democratic Services	8	175	202	13	1,356	1,563
Education and Strategic Commissioning	23	175	188	47	2,858	3,114
Housing and Property Services	59	3,196	3,611	82	21,297	24,159
Information Services	7	716	833	8	4,923	5,737
Transport and Environment	4	27	28	7	130	139
<b>Total PCC (exc. Schools)</b>	<b>175</b>	<b>6,812</b>	<b>7,709</b>	<b>234</b>	<b>46,254</b>	<b>52,371</b>
<b>Schools</b>	<b>583</b>	<b>13,783</b>	<b>15,114</b>	<b>0</b>	<b>0</b>	<b>0</b>

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**List of job roles receiving Living Wage allowance**

<b>Living Wage Allowance (PCC Positions)</b>	<b>Lump Sum Payment (PCC Positions)</b>	<b>Schools Living Wage Allowance</b>
Administrative Assistant	Administrative Assistant	Administration / Finance Assistant
Attendant	Attendant	Administration Assistant
Cafe Assistant	Cafe Assistant	Administrative Assistant
Cleaner	Catering Assistant	After School Club Assistant
Cleaning Operative	Cleaner	After School Playworker
Cleaning Supervisor	Cleaning Operative	Assistant Caretaker
Craft Gardener	Cleaning Supervisor	Assistant Nursery Nurse
Creche Assistant	Craft Gardener	Assistant Site Manager
Daily Trolley Assistant	Creche Assistant	Breakfast Club Assistant
Day Support Worker	Daily Trolley Assistant	Caretaker
Despatch Service Assistant	Day Support Worker	Catering Assistant
Domestic Assistant	Despatch Service Assistant	Classroom Assistant
Domestic/Kitchen Assistant	Domestic Assistant	Cleaner
Driver	Domestic/Kitchen Assistant	Cleaner/Keyholder
Driver / Escort	Driver	Clerical Assistant
Escort	Driver / Escort	Early Years Classroom Assistant
Gardener	Escort	Escort/Bus Supervisor
Green & Clean Operative	Gardener	First Aider
Housekeeper	Green & Clean Operative	Kitchen Assistant
IT Assistant	Housekeeper	Lead Cleaner
Junior Administrative Assistant	IT Assistant	Learning Support Assistant
Kitchen Assistant	Junior Administrative Assistant	Library Assistant
Kitchen/Domestic Assistant	Kitchen Assistant	Lunchtime Supervisor
Laundry & Domestic Assistant	Kitchen/Domestic Assistant	Midday Assistant
Laundry Assistant	Laundry & Domestic Assistant	Nursery Assistant
Library Driver/Attendant	Laundry Assistant	Nursery Nurse
Lock Up Operative	Library Driver/Attendant	Playcare Assistant
Museum & Visitor Services Assistant	Lock Up Operative	Playleader
Passenger Assistant	Museum & Visitor Services Assistant	Playworker
Porter/Cleaner	Passenger Assistant	Receptionist
Production Operative	Porter/Cleaner	Site Assistant
Receptionist/Centre Support	Printer Support Analyst	Special Needs Assistant
School Crossing Patroller	Production Operative	Special Schools Assistant
Security Officer	Receptionist	Support Assistant
Static Cleaning Operative	Receptionist/Centre Support	Teaching Assistant
	School Crossing Patroller	Technician
	Security Officer	Trainee Nursery Assistant
	Static Cleaning Operative	Zone Time Assistant

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