

## **EMPLOYMENT COMMITTEE**

MINUTES OF THE MEETING of the Employment Committee held on Tuesday, 15 December 2015 at 12.15 pm in The Executive Meeting Room - Third Floor, The Guildhall

### **Present**

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

### **Officers Present**

David Williams, Chief Executive  
Michael Lawther, Deputy Chief Executive & Monitoring Officer  
Jon Bell, Director of HR, Legal & Procurement  
Rochelle Brown, HR Business Partner  
Shaun Tetley, Payroll & Pensions Manager  
Roland Bryant, Learning and Development Business Partner.

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

Apologies for absence were received on behalf of Councillor John Ferrett. Apologies for absence were also received on behalf of Councillor Linda Symes and Councillor Steve Hastings deputised for her.

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

There were no declarations of members' interests.

#### **41. Minutes of the meeting held on 15 September 2015 (AI 3)**

**RESOLVED** that the minutes of the meeting of the Employment Committee held on 15 September 2015 be confirmed and signed by the chair as a correct record.

#### **42. Volunteering Policy (AI 4)**

(TAKE IN REPORT)

Jon Bell introduced the report explaining that its purpose was to seek the committee's approval of the PCC volunteer policy attached to it. This would ensure consistency of approach to working with volunteers across the whole of PCC. The Deputy Chief Executive advised that one of the purposes of the policy was to ensure that volunteers would be required to comply with the council's agreed policies and procedures. The chair commented that the aim

of the policy was not to create a quasi-employment relationship but to protect PCC.

During discussion the following matter was clarified:

- It was confirmed that with regard to item 11 of the policy - volunteers from abroad - there are no restrictions on volunteer work for nationals of European Union countries but those who are outside the European economic area are not allowed to take up voluntary work without a work permit unless they are within the concessions that have been made by the Home Office as mentioned in paragraph 11.1.

**RESOLVED that the committee**

- (1) approved the PCC volunteer policy (attached as Appendix A to the report); and**
- (2) recognised the supporting PCC volunteer good practice guide to support the operational application of the policy (attached as Appendix B to the report).**

**43. Living Wage (AI 8)**

**(TAKE IN REPORT AND APPENDICES)**

The chair agreed to vary the order on the agenda to accommodate the person making the deputation. She also advised that Appendix 2 of the report was exempt and that provision had been made to move into exempt session under item 7 of the agenda if any member wished to discuss that appendix. The chair advised that as far as possible this item would be considered in open session.

The Director of HR, Legal & Procurement, Jon Bell introduced the report which was to provide the Employment Committee with an update following the implementation of a living wage in November 2014 for employees of the council and to seek members' direction on how to proceed with the living wage in the future following the introduction of the national living wage. The report also updates the changes to the Living Wage Foundation rate. Mr Bell outlined the options set out in 1, 2 and 3 of part (ii) of the recommendations. He also explained that the exempt appendix sets out possible equal pay risks. He advised that schools generally were reluctant to follow the living wage as they felt it was unaffordable.

Mr Bell explained that the government had announced that there will be a new compulsory minimum wage premium, known as the National Living Wage for all workers aged 25 and over. This is being phased in from 1 April 2016 at £7.20 per hour with a projected aim of reaching 60% median UK earnings which is anticipated to be at least £9.00 per hour by 1 April 2020. Mr Bell advised that paragraph 5 of the report outlines the pros and cons of each of the options with estimated costs.

The chair invited Lee Sprake of Unison to make his deputation which he then did, requesting members of the committee to choose option 1 in the recommendations. The chair thanked Mr Sprake for his deputation.

During discussion the following matters were raised:

- The chair said that there is a national commitment to allow wages to increase but there are constraints owing to having to balance the budget. This was set at the December council meeting and the assumptions made could accommodate option 3 but not option 1.
- It was clarified that the cost of the living wage was never a budgeted item. Any top up would have to be managed within existing budgets.
- Clarification was provided regarding variable costs such as sleeping in arrangements and how they affected the overall cost of the various options. Option 1 would cost £172,000 (being the total of £112,000 and £60,000 being the sleeping in payments) and Option 3 would amount to £99,000 (being £43,000 and £56,000 - being the sleeping in payments).
- It was confirmed that 84% of schools are currently paying the living wage. Paragraph 6.3.1 of the report states that at the time of writing the report, 23 out of a total of 46 schools had confirmed that they would retain the current living wage rate of £7.85 for their staff and 16 schools did not respond.
- It was estimated that schools have £11 million reserves.

There followed a discussion about the implications of the various options before members during which the following comments were made:

- Option 3 would mean that those on the lowest pay would not receive a pay increase as their pay would be frozen.
- The budget approved by council at its recent meeting did not allow for the increased costs that would be incurred by adopting Option 1.

In response to a query the City Solicitor advised that it was permissible for members to adopt Option 1 without providing details of how the costs would be achieved as this could be done at a later date. (This differed from an amendment put forward at full council meetings where it would be necessary to provide details of funding for any amendment at the time when the amendment was put forward.)

- It was confirmed that Option 1 would be increasingly expensive.
- It was confirmed that if the Housing Revenue Account (HRA) were to be used as an income stream to pay for Option 1 the costs would then be borne by council tenants.

- It was confirmed that any increased cost of Option 1 would eliminate any income generated through the Adult Social Care precept.
- A comment was made that a 2% increase in council tax in Portsmouth would generate approximately £1.25 million. The estimated worst case scenario of adopting Option 1 would be a cost of £2.4 million and the best case scenario would cost approximately £1.5 million so even with a 2% increase in council tax there would still be a shortfall in funding.
- Any additional money arising from the Better Care fund and Adult Social Care precept money would be useful, but local government funding was reducing at the same time.

The chair clarified that Option 3 would still mean that the city council was a living wage employer. She said that in her view whichever option is chosen would have to be affordable and responsible. A 6% pay rise implemented immediately would mean that services would have to be cut elsewhere.

It was proposed by Councillor Gerald Vernon-Jackson and seconded by Councillor Darren Sanders that Option 1 set out in the recommendations be adopted. Councillors Vernon-Jackson and Sanders voted for this option. Councillors Jones, Stubbs and Hastings voted against. There were no abstentions and therefore the proposal was LOST.

It was proposed by Councillor Donna Jones and seconded by Councillor Luke Stubbs that Option 3 outlined in the recommendations in the report be adopted. Three members (Councillors Jones, Stubbs and Hastings) voted for this option and two members voted against (Councillors Vernon-Jackson and Sanders). This was therefore CARRIED.

#### **RESOLVED that the Employment Committee**

- (i) **notes the ongoing progress made to the implementation of the living wage, particularly with regards to schools.**
- (ii) **gave consideration to the options set out in the recommendations and gave officers a clear indication that they wished to adopt Option 3 - to freeze the current living wage rate at £7.85 and allow the national living wage rate to catch up (including for under 25s), therefore neither increasing nor decreasing the current rate.**

The chair advised that items would now be dealt with in the order in which they appeared on the agenda.

#### **44. Sickness Absence Quarterly Report (AI 5)**

(TAKE IN REPORT AND APPENDICES)

The Director of HR, Legal & Procurement introduced this quarterly report which updates and informs Employment Committee about sickness absence. He advised that since the last quarterly update in June 2015 the level of sickness absence had decreased from 8.73 to 8.40 average days per person per year. This represents a reversal in trend from the first half of 2015 when an increase in sickness absence levels was reported. He advised that the overall trend over recent months is down.

During discussion the following matters were raised:

- Although members were pleased with the general downward trend, these statistics were still above the national average and concerns were raised particularly in relation to Adult Services, Children's Social Care, Community & Communication, and Portsmouth International Port as all of these showed an average per person per year of more than 10 days of sickness absence. It was confirmed that HR are continuing to work with directors to improve the situation.
- A comment was made that the Port sickness absence figures were worsening. The Director of HR, Legal & Procurement said that exposure to the elements was always a problem particularly during adverse weather conditions and this influenced the sickness absence figures.
- In response to a query about how effective flu jabs are, the Director of HR, Legal & Procurement advised that it was difficult to say whether there was a direct causal link between providing flu jabs and the sickness absence figures. He added that to withdraw the free flu jabs would in his view send the wrong message to employees. The Chief Executive added that to some extent the efficacy of the flu jabs depended on how well the medical profession predicted the likely virus to protect against.
- A query was raised about why the Finance & Information Service's sickness absence had increased by one day per person in a three month period. Mr Bell said that he was not aware of any specific issues but would investigate and report back.
- Members felt that Appendix 2 was very helpful in determining the wider trend. Members noted that the reasons for absence showed that psychological reasons figured much more highly than previously. It was confirmed that resilience training for managers was in place to help deal with this situation and this appeared to be successful. However the three most common reasons for absence (being muscular-skeletal, psychological and viruses) would always be a major cause of sickness absence and much supporting work was in force to minimise the impact of this across PCC.

**RESOLVED that Employment Committee:**

- (1) **continue to monitor sickness absence on a quarterly basis and to ensure appropriate management action is taken to address absenteeism;**
- (2) **continue to offer a range of interventions around the three main reasons for sickness absence to assist employees to manage their attendance at work.**

#### **45. Apprenticeships - Progress Report (AI 6)**

(TAKE IN REPORT AND APPENDICES)

The Director of HR, Legal & Procurement, Jon Bell introduced the report advising that it updated members on the progress made in recruiting apprentices and outlined plans for future work in this area. Mr Bell drew attention to paragraph 7 of the report covering national changes in apprenticeship programmes. He explained that the Enterprise Bill will introduce a power for the Secretary of State to set targets for apprenticeship numbers for employers in the public sector. The target for local authorities is likely to be around 80.

Mr Bell advised that the Department for Business Innovation & Skills has also undertaken a consultation regarding a change in the funding methods for apprenticeships and a proposed introduction of an apprenticeship levy.

In response to queries, the following matters were clarified:

- The apprenticeship levy will affect PCC whether or not the target apprenticeship level is reached.
- Roland Bryant advised that as a rough figure the cost of the new apprenticeship levy would amount to £45,000 but there would be an offset of approximately £15,000 giving a total expected cost of £30,000. However he stressed that this was just a rough estimate and that the Bill had not yet been enacted.

[\*NB It later transpired that this was actually the forecast **monthly** cost. The full details of the levy are still being worked up, but, taking account also of the cost to schools and on the HRA, the annual cost is likely to be in the order of £700,000. It is not yet known how much any offset will be under the scheme.]

- It was confirmed that the levy was expected to begin in 2017.

#### **RESOLVED that Employment Committee**

- (i) **noted the positive progress to date in promoting and developing apprenticeships within the council as detailed in this report;**

- (ii) agreed the use of pay band 3 for "higher grade apprenticeship" posts where a higher calibre of applicant would be needed;
- (iii) agreed that PCC make the "We Love Apprenticeships" pledge.

#### 46. Exclusion of Press and Public (AI 7)

It was proposed by Councillor Donna Jones and seconded by Councillor Gerald Vernon-Jackson that in view of the contents of the following item on the agenda the committee move into exempt session as appropriate and this was agreed.

**RESOLVED** 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 on the grounds that Appendix 5 contains information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972.

#### 47. Senior Management Structure - Integration of Health and Social Care (AI 9)

(TAKE IN REPORT AND APPENDICES NOTING THAT  
APPENDIX 5 IS EXEMPT)

The chair advised that although provision had been made for this item to take place in exempt session, the committee would endeavour to remain in open session for as long as possible.

The Chief Executive introduced the report and explained it seeks the Employment Committee's approval for the acceptance of an application under the council's voluntary redundancy scheme for the redundancy of one of the council's directors. He recommended that the committee accedes to the request for voluntary redundancy if a joint post could be created with NHS Portsmouth Clinical Commissioning Group. He advised that the voluntary redundancy scheme 2015 is attached as an appendix to the report. His rationale for the recommendations set out are contained in the body of the report. One consequence would be that the existing post of Director of Integrated Commissioning Unit would be affected as detailed in paragraph 6.4.

As a member wished to raise something that concerned the exempt appendix the committee **RESOLVED to move into exempt session.**

During exempt session a matter relating to financial savings was clarified.

The committee **RESOLVED to move back into open session.**

During discussion the following matters were clarified:

- The NHS Portsmouth Clinical Commissioning Group (CCG) and the council are both primarily "commissioning" organisations and already have mutual representation on a number of key partnerships including the Health & Wellbeing Board, Safer Portsmouth Partnership, Children's Trust and Public Services Board as well as the Health & Care Executive Board.
- Members said that care needed to be taken concerning the differences in approach of the two organisations. For example medical and social models are often very different.
- Members acknowledged that the ICU would come within the management remit of the joint post as set out in paragraph 6.4 of the report.
- The Chief Executive said that it would be very disappointing if CCG and PCC could not secure the appointment of a joint post that can include fulfilment of the statutory role of Director of Adult Social Services for the city council.

The Chief Executive said that details of how the operational side of a joint post would work in practice have yet to be decided.

It was also confirmed that an interview process would be necessary and that an appointment would be made on the usual cross-party basis.

#### **RESOLVED that**

- (i) The Committee agrees to the request for voluntary redundancy of the Director of Adult Services on the basis set out in the report (and subject to a satisfactory arrangement being secured with regard to the statutory Director of Adult Social Services role);**
- (ii) The Committee requests that the Chief Executive, the Leader of the Council, and the Cabinet Member for Health and Social Care, engage with the NHS Portsmouth Clinical Commissioning Group to secure the appointment of a joint post across the two organisations that can fulfil the statutory role of Director of Adult Social Services for the City Council and that Opposition Spokespersons be kept informed;**
- (iii) The existing post of Director Integrated Commissioning Unit to be designated as a "third tier" management post as opposed to a chief officer post;**
- (iv) The Committee records its thanks to Mr Robert Watt for his long service to the city and the City Council and wishes him the very best for the future.**



**48. Date of Next Scheduled Meeting (AI 10)**

The next meeting is scheduled for 15 March 2016.

The meeting concluded at 1.40 pm.

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Councillor Donna Jones  
Chair